



Annualised pre-tax return for the quarter ending 30 September 2025

6.12
% p.a.

Group
Investment
Fund and
PIE Fund

Past returns are not a reliable indicator of future performance.

Our latest pre-tax annualised investment rate for the September quarter is 6.12%.

We have previously signalled, we were anticipating a reduction resulting ultimately from our commitment to balancing risk and return as opposed to chasing higher returns. This is still a solid result and represents a meaningful premium over one-year bank term deposit rates, currently around 230 basis points higher.

As a result of sticking to our core lending fundamentals we are holding higher cash balances meaning we are well positioned to take advantage of opportunities as they arise stemming from a gradually improving economic outlook.

Looking ahead

Growing our lending business is a key focus for us and we have a number of workstreams underway including:

- Increasing rollovers of existing loans which meet our criteria: This helps strengthen customer relationships and ultimately supports stable returns for investors.
- Lengthening loan terms: With an average loan term of around 18 months, we see opportunities to extend this timeframe when the conditions are right.
- Growing smaller loans: We see strong potential in expanding our market share of loans under \$2 million, adding increased balance and resilience to the portfolio.

Together, these actions should bring liquidity into balance, help further diversify our lending portfolio, and position us to continue delivering a strong premium over term deposit rates.

All things considered we anticipate that we are getting close to the bottom of our return cycle, which positions us well for a steadier performance and greater consistency through the months ahead and into 2026.

Maintaining our conservative stance

With nearly three decades of experience navigating market cycles, our philosophy has remained unchanged: we prioritise a disciplined balance of risk and return in favour of our investors. We would rather hold higher cash reserves than pursue growth at the expense of undue risk.

This measured approach is central to our investor-first focus and reflects the low risk tolerance that defines FMT. These principles have guided us through past cycles and will continue to underpin our strategy in the years ahead.

Signs of spring: Confidence & opportunities ahead

The lending environment is showing encouraging signs of improvement. Recent easing in interest rates is stimulating activity and confidence, creating a more supportive setting for growth. Our lending team are identifying strong opportunities in the market, particularly across the main cities, where demand remains resilient.

Investor meetings

Our 2025 investor meetings are well underway and continue to be a highlight for myself and the team. Investors often tell us how much they value the chance to connect in person, not only to hear directly from us, but also to listen to our guest speakers and engage with the wider FMT team.

We greatly enjoy these opportunities to meet with you, hear your perspectives, and have conversations that go beyond the numbers. More events are scheduled for October and November, and the team and I look forward to seeing many of you there.

2025 Youth sponsorship grants

We are proud to support talented young New Zealanders striving for excellence in sport and the arts. This year, following feedback from last year's investor meetings, we extended the sponsorship programme to make it even more impactful. You can read more about this year's recipients in this newsletter.

Investor portal launch

Late October we will begin the staged rollout of our new investor portal, designed to make it easier to access information and manage your investment online. For those who prefer not to use the portal, your experience with us will remain unchanged, and our personal approach will continue as always.

Once again, thank you for your trust and support.

Paul Bendall, CEO



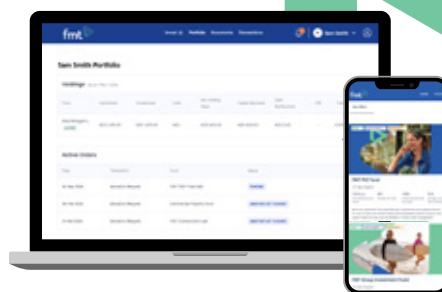
Investor Portal – Going Live Soon

We're set to commence the progressive roll-out of our portal on 24 October, when we will onboard our first major cohort of investors. This secure online portal will make it easier for you to view your investments, receive important documents, and stay up to date with account activity.

By the end of December, we are aiming for all Individual and Joint-Individual investors to have access. We'll then extend the portal to Trusts, Companies, and other entities once additional permissions and security protocols are in place.

You'll receive email notifications at key points, starting mid October. These include:

- Invitation to set up your portal account
- When an allocation is requested, approved, paid, or the units are issued
- When a redemption is requested, or the redemption payment is approved
- When units are transferred
- When distributions are processed
- When new documents, such as your quarterly statements, are available to download



All portal notifications will come from invest@fmt.co.nz. Other communications may also come from team@fmt.co.nz. If you ever receive an email that doesn't look right, please call us on 0800 321 113 to check before taking action.

We also encourage you to keep your **Investing Entity ID** on hand. This is your unique identifier across all transactions (deposits, distributions & redemptions), communications (including quarterly statements), and within the portal. Please use this number as the payment reference to ensure your funds are correctly allocated.

The Investor Portal is another step in making your experience with FMT simple, transparent, and secure.

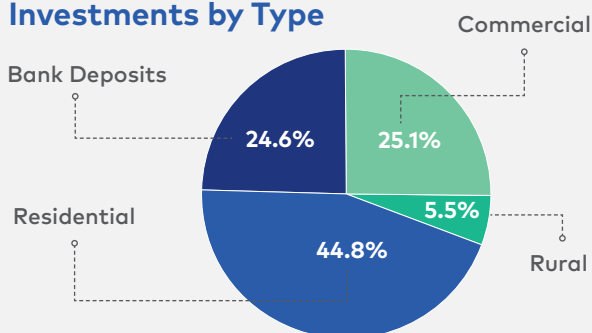
First Mortgage Trust Loan Book - key facts

Our loan book is diversified across property type and location. As an active fund manager we continually review the quality of our loans and ensure we adhere to our relatively conservative investment strategy.

This is demonstrated by our investment portfolio loan to value ratio (LVR) being approximately 49.7%.

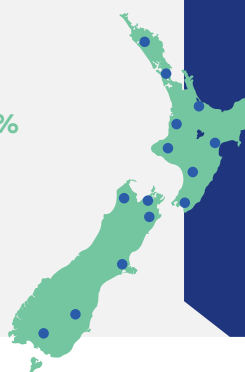
The following information provides details of our loans by region and investments by type as at 8 September 2025, demonstrating our diversity.

Investments by Type



Loans by Region

Northland	0.2%
Auckland	60.4%
Bay of Plenty	6.2%
Waikato	4.5%
Taranaki	0.2%
Hawkes Bay	0.4%
Manawatu-Wanganui	0.2%
Wellington	13.9%
Nelson	0.2%
Tasman	0.0%
Marlborough	0.0%
Canterbury	9.1%
Otago	4.5%
Southland	0.2%



Loan Summary

Number of loans
551

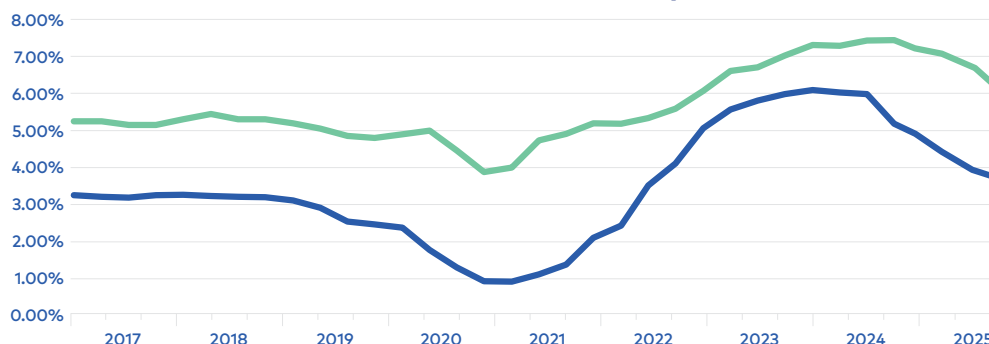
Loans secured over
1,250+ properties

Average loan size
\$2.97m

Average LVR
49.7%

Loan origination in last 12 months
\$1.139b

FMT Returns vs Bank Term Deposits



— FMT Quarterly Returns
— 12-month Deposit Rate

This graph shows the historical annualised pre-tax (after fees & expenses) quarterly distribution rates for the FMT GIF vs the average 12-month bank term deposit rate since 2017.

Data as at September 2025. Term Deposit data from the Reserve Bank of New Zealand. Past performance is not a reliable indicator of future performance. Returns are subject to change and are not guaranteed.



From Slowdown to Signs of Growth: What's Next for NZ

In my last column written back in June I gave the opinion that the Reserve Bank would not cut the official cash rate to the 2.5% level which it reached during the Global Financial Crisis of 2008-09. However, courtesy not of surprisingly low inflation but of a much weaker than expected economy, 2.5% looks a near certainty before the end of this year from 3% at the moment late in September. What has changed?

Data just released show that our economy shrank by an unusually large 0.9% during the June quarter. This followed growth of the same percentage in the March quarter so in that regard we can't say that the economy is back in recession again. There are also some special factors generating the weak result including some large manufacturers cutting production temporarily because of power shortages.

But all caveats aside, the evidence is that this year is weaker than we all expected, and the Reserve Bank reacted to that in August when they took their cash rate outlook down from just under 3% to the now commonly expected 2.5%. Households have been hit by sharp cost of living increases and a loss of job security.

Is there a risk that the rate goes even lower and that this flows through to bank deposit rates and returns on mortgage products generally? There is always such a risk, (once bitten, twice shy) but the probability seems low. That is not because the outlook for the world economy is getting much better. There remains high uncertainty regarding the US economy and conflicts in other parts of the world.

But the data we have in hand for New Zealand suggest that the middle of the June quarter was the weakest point for this cycle.

For instance, my monthly Spending Plans survey of consumers showed in April that a net 19% of us were planning to reduce our spending in the following 3-6 months. Now in my September survey only a net 1% say that. Excluding the unusually strong +10% result of December last year this is the best result in over three and a half years.

For retailers prospects are looking much better for 2026.

But we are not there yet.

My survey of businesses in May showed a net 37% expecting their revenue to improve in the coming 12 months. Now that reading is 48%. My survey of real estate agents in May showed a net 16% reporting fewer people attending Open Homes. Now a net 28% report that more people are physically checking out properties for sale.

Looking at the fundamentals we can see that two big factors are starting to have an impact on the economy but won't fully bloom until next year. The first is lower interest rates. Just as it can take 18-24 months for higher rates to greatly depress the economy so can it take a similar period for cuts to truly stimulate things.

The second is higher farm incomes. We can already see the impact of higher incomes in some regions such as Southland and Otago. Over the coming months we will see the impact in many more regions with large rural economic bases such as Taranaki and Canterbury. Then Auckland will benefit and last cab off the rank will be Wellington perhaps in 2027.

There is also a growth stimulus to come from higher infrastructure spending along with more foreign students, higher business investment, and signs that the migration cycle might turn for the better through Summer.

No boom is coming. However, things are lining up for better conditions through 2026 and that will likely make the Reserve Bank cautious of cutting below 2.5% and running the risk of over-stimulating things as they did over 2020-22.

Tony Alexander is an independent economist and produces a free weekly publication with a housing focus called "Tony's View", available for sign up at www.tonyalexander.nz

Article by
Tony Alexander,
Independent
Economist



Celebrating our 2025 FMT Youth Sponsorship Grant Recipients

For more than 20 years, one of our most valued initiatives has been the FMT Youth Sponsorship Grant. Each year, we support young New Zealanders aged 16–25 who are excelling in sport or the arts but face financial barriers to pursuing their dreams.

Last year, we supported the inspiring Gabby Wright, an athlete who is aiming for the Paralympics. We shared her journey at our Investor Meetings, and the response was overwhelming. You told us how impressive she was, and you also challenged us to do more. You were right.

Too often, the biggest barrier for young New Zealanders is not talent, hard work, or discipline. It is money. The costs of travel, competition, and training can put dreams out of reach, especially without the support of family wealth.

That is why this year we expanded the sponsorship:

- Four grants instead of one, and we increased the sponsorship value.

The feedback from the changes was very positive. We received more than 140 applications, making the selection process both inspiring and challenging.

▶▶ MEET OUR 2025 RECIPIENTS

We are proud to introduce four outstanding young New Zealanders: Each of these young people stood out not only for their talent and dedication, but also for their resilience. Many have already faced significant challenges yet continue to push forward with determination to achieve their goals.

16 – 19 AGE CATEGORY

Alyahna Sanson-Rejouis - Singer/Songwriter (Main Recipient)

Alyahna Sanson-Rejouis, also known as Imani-J. At just 17, Alyahna is a singer, songwriter, and multi-instrumentalist who performs in English, Te Reo Māori, and French.

Her achievements are impressive. She was the youngest ever National Solo/Duo winner at Smokefree Tangata Beats at age 12, a five-time Play It Strange national finalist, and an International Songwriting Competition finalist in 2024. She has just released her debut EP 'Expectations'. She has also been selected for Prodigy Camp in Seattle and the APRA mentoring programme with kiwi music legend, Tiki Taane.

What makes Alyahna stand out is not just her talent, but her honesty and ambition. She writes with emotional depth and inspires others to believe in what is possible.

"I want to extend a huge thank you to FMT for your support. It's truly incredible, and I'm so grateful for the opportunity to follow my dreams. Singing has become my way of expressing myself and has given me a real sense of purpose. If I can make a difference in people's lives through my music, then I've achieved my goal. I have big ambitions and I'm excited about what lies ahead."

We are proud to support her journey as she continues to represent New Zealand on both national and international stages.



Ariel Muchirahondo - Swimmer (Runner-Up)

At just 17 years old, Ariel Muchirahondo already holds 18 national age-group records across 14 events, along with around 80 Bay of Plenty records.

He also broke swimming legend Danyon Loader's 33-year New Zealand record - a remarkable achievement that confirms he is already competing at an elite level.

With his sights set on the 2026 Junior Youth Olympics and ultimately the Los Angeles 2028 Olympic Games, Ariel's discipline, talent, and record-breaking determination mark him as a true star of tomorrow.



20 – 25 AGE CATEGORY



Olive Pearce – Surf Life Saving (Main Recipient)

Olive Pearce is an example of balance, resilience, and excellence. At 23, she is competing at the highest levels in both Surf Life Saving and Canoe Sprint, while also studying medicine at the University of Otago. Her commitment to service is evident not only in her sporting achievements but also in her 10 years as a volunteer lifeguard with the Mount Maunganui Lifeguard Service.

A national champion in swimming and surf lifesaving, Olive has earned more than 40 national medals across her career. Her consistency, versatility, and leadership make her a role model both in and out of the water.

"The support will help cover competition costs — including entry fees, accommodation, and travel. It will go a long way, and I'm truly grateful. Thank you to First Mortgage Trust for your generosity and for investing in me."

We are proud to support Olive as she continues to pursue excellence in sport and service.



Hadley Beech – Inline Skating (Runner Up)

Hadley Beech is a New Zealand inline speed skater, a sport that demands both persistence and precision. He first represented New Zealand at the Oceania Championships at age 15, and a year later made his debut at the World Championships. Since then, his career has flourished, with more than 100 national medals across every grade from age 10 through to senior level.

In 2025, Hadley will represent New Zealand at the World Championships in China. His long-term goal is to break into the world's top 20, then the top 10, and ultimately become a world champion.

Beyond racing, Hadley is committed to growing the sport. He coaches high-performance athletes, has developed learn-to-skate programmes, and applies his academic expertise to support athletes at all levels.

Why this support matters

Many of the 140 applicants spoke about the financial pressures they face in pursuing their dreams.

Our recipients each carry a story of courage and ambition, breaking records, creating music, showing resilience, and pushing the limits of what is possible.

We are proud to play a part in helping Alyahna, Ariel, Olive, and Hadley as they pursue their goals and look forward to seeing where their journeys take them next.



2026 Youth Sponsorship applications will open early 2026 - check our website for more details.



Supporting Kiwi Businesses Through Smart Lending

At FMT, we love helping Kiwi businesses turn ideas into reality. A recent project shows how the right finance structure can make all the difference.

A Couple with a Plan

Bay of Plenty locals Henry Ederveen and Lauren Whitworth are hard workers with big ambitions. In July 2024, they bought commercial land in Te Puke with plans to build a car wash and dog wash facility.

They first started with a small specialist lender, but high interest rates and rollover fees quickly made things tough. That's when they came to us for a smarter solution.

Smarter Finance, Better Fit

Henry and Lauren applied for funding at 60% LVR, supported by a well-structured budget and a comprehensive cashflow forecast. We carefully reviewed the numbers, applying conservative assumptions, and the deal still proved financially sound. While some banks might have declined, we recognised

the potential and viewed it as a strong opportunity. By adhering to our conservative lending principles, we not only helped a hardworking couple achieve their goals but also safeguarded our investors' capital in a deal that made sense on every level.

Setting Them Up for Success

We worked closely with them to structure the deal, making smart use of equity. With lower debt and strong servicing, the facility is well positioned for success.

A Win for the Community – Clean Cars, Happy Dogs
Our BDM, Bruce Smith, put it best:

"It's fantastic to help bring this project to life and support a couple on their business journey. Projects like this don't just strengthen our clients' futures, they also add real value to local communities. This facility is a great addition for Te Puke."



Each newsletter, we'll address key questions from our investors, answered by the FMT leadership team.

With the upcoming launch of our investor portal, we've received some great questions from our pilot users and from investors at our recent events.

We put a few of these to our Chief Technology Officer, Matt Tucker.



Have a question for our leadership team?

Send your questions to promotions@fmt.co.nz, and we may feature them in a future newsletter.

FMT

YOUR QUESTIONS ANSWERED

Q: How do your systems ensure my data is protected from cyber threats or technical failures?

A: At FMT, we take the security of your data seriously. Your data is protected using a defence in depth approach, involving multiple layers of technology, process and human (our team) security safeguards. It's like having several locks on a door, so your data stays safe, private, and accessible only to authorised staff.

Our systems are monitored 24/7 and we work closely with leading cybersecurity partners to ensure cybersecurity protections are effective and continuously improved.

Our team is, also, regularly trained and maintain a high degree of vigilance to spot and stop potential threats on the frontline.

Q: Is there anything I can do to keep safe online?

A: Absolutely. It's important that everyone takes steps to protect themselves online. Scammers are becoming increasingly sophisticated, which can make them harder to spot. The good news is that there are some simple, effective practices you can follow to reduce your risk:

- **Be cautious with unexpected messages.** If you receive an email, text, or call asking for personal details or urging you to click a link, pause before responding.
- **Watch out for urgency.** Scammers often try to rush you into making a decision. If a message or phone call feels pushy or too good to be true, take a moment to think before acting.
- **Verify before you act.** If something feels suspicious, even if it looks official, contact the organisation directly using their published phone number or website.
- **Use strong, unique passwords.** Consider a password manager to keep them safe and avoid reusing the same password across multiple accounts.
- **Turn on two-factor authentication (2FA).** This adds an extra layer of protection if your password is ever compromised.
- **Keep your devices updated.** Regular updates ensure you have the latest security protections.

And most importantly: If in doubt, hang up the phone or close the message. Take a step back and check independently before sharing any information. A few extra moments of caution can save a lot of trouble later.

Q: If I need help navigating your investor portal, is there accessible support available - especially for users who may not be very tech-savvy?

A: Absolutely. First of all, the portal has been designed to be simple and intuitive to navigate. We've also created step-by-step help guides, which will be available on our website, and we'll email you key information beforehand. On top of that, our team will be available if you'd like to speak with someone. We want to ensure you feel confident and supported every step of the way.

Estate Administration - with or without a Will

Without a Will, your assets are distributed to eligible family members according to the legal framework in the Administration Act 1969, which may not work out how you think. The process is more complicated, takes longer, is generally more expensive and you have no say over who is in charge and who gets what.

What is the process if you die without a Will?

This is called an "intestacy" or "dying intestate". If you own assets over \$40,000, then an application to the Court for Letters of Administration will be required.

A person with an interest in an estate (i.e a surviving partner or spouse, or children) can apply to administer an intestate estate. The right to make the application is in order of priority under the Administration Act. Some of the fundamental rules of the Administration Act are:

1. If there is a spouse or partner (including: civil union or de facto partner), but no living parents or children, then the spouse or partner will receive all of your estate.
2. If there is a spouse or partner and also children, the spouse or partner will receive all of the personal chattels, the first \$155,000 of your estate and 1/3rd of the remaining property. The other 2/3rds will go to your children. This entitlement may become more complex with a blended family with step-children.
3. If you have a spouse or partner and no children, and living parents, the spouse or partner will receive all the personal chattels, the first \$155,000 of your estate and 2/3rds of your remaining property. The remaining 1/3rd will go to the surviving parents.
4. If there are children, but no spouse or civil union or de facto partner, your estate will be equally divided between your children.
5. If there is no spouse or partner, no children, but there are surviving parents, your estate is divided equally between your surviving parents.
6. If there is no spouse or partner, no children, no surviving parents but surviving siblings, your estate is divided equally between your siblings.

Before an application is made, a thorough search has to be conducted to confirm that no valid Will exists, which includes advertising for a lost Will and completing a search to confirm the status of children entitled to inherit. Consent forms must be signed from entitled family members who are not applying (e.g. other children entitled to inherit).

The process could become even longer and more complicated if there are disagreements about who should apply. All of this slows down what could otherwise be a straightforward process.

How does this differ if you die with a Will?

A Will appoints executors who have the authority to apply to the Court for a Grant of Probate, who then deal with your assets in accordance with the wishes you set out in your last Will. Unlike Letters of Administration, there is no need to obtain any searches or consent, and there are no rules around who you have to leave your estate to, although you have a "moral duty" to include children and spouses/partners in some way.

An application for Probate is generally granted faster and cheaper. Most importantly, it puts you in control of where your estate goes.

Making sure you have a Will in place is one of the most valuable actions you can take to support and guide your loved ones after you pass. In your Will, you can decide who is in charge and instruct exactly how your assets should be dealt with. When you have a Will, the process to administer your estate is generally cheaper and quicker.

In your Will you can:

- Give away specific chattels i.e jewellery, watches, cars, boats, artwork, heirlooms, pets (yes, these are chattels)
- Specify gifts such as cash sums and shares
- Decide who will receive the balance of your estate
- Indicate burial wishes
- Nominate a legal guardian for your children if they are minor

What happens in an estate administration?

Assuming you have over \$40,000 in your sole name (remembering that joint assets pass to the other co-owner automatically by survivorship), then the administrator must visit a lawyer who will help them apply for a Grant of Probate (if you have a valid Will) or Letters of Administration (if you die intestate).

After the Court has approved the application, the administrator must find out what the assets and liabilities of your estate are and, if necessary, have assets valued and sold. Then they must pay any debts and taxes out of the estate funds.

The balance is then paid out to the beneficiaries in terms of either the Will or the Administration Act rules. Generally this does not occur until at least six months from the date of the grant. This is because the administrator can be personally liable for distributions made within 6 months, in the event there was a claim on your estate (this could be a debt or it could be a claim by a family member).

The estate could take much longer to distribute if there are a number of assets to be sold and debts to be worked through. If there is a claim on an estate, distribution could take several years.

September is Wills Month

September is Wills Month. Holland Beckett take part by offering a free Simple Will, or a 20% discount on a Complex Will, if you leave a gift in your Will to go to a charity in September. As far as you and your family are concerned, your Will could be the most important piece of paper you ever sign. If your situation is not simple, this may be a good prompt to have a look at your situation and get some advice.

If you have a Will then you're already one step ahead. But is your Will up to date? When was the last time you reviewed the terms of your Will? Talk to the Holland Beckett Estates team for more information.



HOLLAND BECKETT

▶▶ Article provided by Tereasa Peterson
Registered Legal Executive
Holland Beckett.

We're Moving Into Our New Offices in Tauranga

This October, FMT will be relocating our head office to the Northern Quarter in Tauranga.

Our new space has been designed with growth and convenience in mind. It offers additional meeting rooms to better host investor appointments, while continuing to provide dedicated visitor parking, making every visit to our office seamless and stress-free.

As FMT has expanded, so too has our team. We've simply outgrown our current premises, and modern workplace standards, including updated health and safety requirements, have made this the right time to move.

What won't change is our commitment to Tauranga and the Bay of Plenty. We're proud of our roots here, and keeping our head office in the region reflects just how important this community is to FMT's future.

For those accustomed to visiting us at our current Tauranga office, we look forward to welcoming you soon at our new Northern Quarter location, with the same familiar faces, ready to greet you.

All office and staff-related costs are covered by the Manager and do not come out of investor returns, ensuring there is no impact on our investors.



Get your FMT 2026 Calendar

In past years, we've shared calendars with our investors, and while many of you have enjoyed them, we've also heard that they're not always needed.

This year, if you'd like to receive one of our FMT 2026 calendars, simply let us know by 30 October and we'll send it to you in late November.

If you want a calendar

Visit fmt.co.nz/calendar/ and fill out the form - we'll do the rest.

Alternatively, give our team a call on **0800 321 113**, and they'll be happy to add you to the list.



There are limited numbers of calendars so please let us know asap if you would like one.

Redemption Notice Requirement

To process your redemption (withdrawal), we must receive your completed 'Notice of Redemption' at least two business days before the processing day.

For example:

- ▶ To redeem on Monday, submit the form by the previous Wednesday.
- ▶ To redeem on Thursday, submit the form by the previous Monday.

Quarterly Distribution Dates

For your diary, quarterly distributions will be paid three business days after the end of each quarter. Where public holidays fall in this period, the payment date is adjusted to the next business day.

December 2025 distribution → Wednesday, 7 January 2026 (adjusted for New Year holidays)

March 2026 distribution → Tuesday, 7 April 2026 (adjusted for Easter holidays)

June 2026 distribution → Friday, 3 July 2026

September 2026 distribution → Monday, 5 October 2026



Talk to us ▶▶ 0800 321 113
invest@fmt.co.nz | fmt.co.nz

Christmas & New Year Hours

Our offices will close for the holiday break on **Wednesday 24 December 2025**, and reopen on **Monday 5 January 2026**.