

# PRODUCT DISCLOSURE STATEMENT

OFFER OF INTERESTS IN FIRST MORTGAGE PIE TRUST  
OFFERED BY FIRST MORTGAGE MANAGERS LIMITED  
DATED: 23 DECEMBER 2020

THIS DOCUMENT REPLACES THE PRODUCT DISCLOSURE STATEMENT DATED 29 OCTOBER 2019



This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <https://disclose-register.companiesoffice.govt.nz/>. First Mortgage Managers Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.







FIRST MORTGAGE PIE TRUST

## 1 KEY INFORMATION SUMMARY

### What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. First Mortgage Managers Limited ("**Manager**", "**we**", "**us**" and "**our**") will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of the Manager and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

### What will your money be invested in?

Name of Fund		First Mortgage PIE Trust ("PIE Trust")						
Brief description of the PIE Trust and its investment objective		The PIE Trust holds units in the First Mortgage Trust Group Investment Fund ("FMT GIF"). The FMT GIF enters into loans backed by first mortgages over land & buildings and invests in cash deposits at registered banks. The investment objective is to provide investors with an income return at a level better than bank deposits and competitive with comparable investments.						
Risk indicator	 Potentially lower returns				Potentially higher returns 			
	1	2	3	4	5	6	7	
	 Lower risk				Higher risk 			
See Section 4 (What are the risks of investing?) on page 8 of this document for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk you can seek financial advice or work out your risk profile at <a href="https://www.sorted.org.nz/tools/investor-kickstarter">https://www.sorted.org.nz/tools/investor-kickstarter</a> .								
Fees for the PIE Trust								
PIE Trust charges		There are no charges for the PIE Trust. However, the FMT GIF charges are estimated at 1.8% per annum of the FMT GIF value* (so these are indirectly fees of the PIE Trust and affect your investment return).						
Withdrawal fees (Individual action fees)		We reserve the right to charge a withdrawal fee of 2% of the amount withdrawn during the first year of investment in units and 1% of the amount withdrawn during the second year of investment in units.* There is no withdrawal fee for investors who withdraw after their second year of investment in units.						
* Excluding GST (if any).								

### Who manages the PIE Trust?

First Mortgage Managers Limited is the manager of the PIE Trust.

See Section 7 (Who is involved?) on page 11 of this document for more information about who is involved with the PIE Trust.

### What are the returns?

Returns from the PIE Trust are returns distributed to the PIE Trust from the FMT GIF. The FMT GIF earns interest from loans made to borrowers and from bank deposits. Interest earned by the FMT GIF (net of tax, fees, expenses and reserve fund contribution) is paid to the PIE Trust as a distribution and is then distributed by the PIE Trust to PIE Trust investors quarterly either in cash or by the issue of additional units. See Section 2 (How does this investment work?) on page 4 for more information.

### **How can you get your money out?**

Your investment is redeemable on written notice to us. We generally action withdrawals within 4 business days of receiving your redemption request. See Section 2 (How does this investment work?) for more information.

We can suspend redemptions if financial, political or economic conditions, or other matters, warrant this (as described in more detail under the heading "Withdrawing your investments" on page 6). With the agreement of our supervisor, we can defer redemptions and either make them by instalments over a period or in total at the expiry of a period. See Section 2 (How does this investment work?) on page 4 for further details.

Your investment in the PIE Trust cannot be sold or transferred to anyone else except in limited circumstances. See Section 2 (How does this investment work?) on page 4 for further details.

### **How will your investment be taxed?**

The PIE Trust is a portfolio investment entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR go to the application form distributed with this document. See Section 6 of the PDS (What taxes will you pay?) on page 11 for more information.

### **Where can you find more key information?**

The Manager is required to publish quarterly updates for the PIE Trust. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [https://www.fmt.co.nz/first\\_mortgage\\_trust\\_fund\\_updates](https://www.fmt.co.nz/first_mortgage_trust_fund_updates). The Manager will also give you copies of those documents on request.

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## 2 HOW DOES THIS INVESTMENT WORK?

### Significant features of the First Mortgage PIE Trust

The PIE Trust is a trust established under a trust deed. Public Trust is the supervisor ("**Supervisor**") of the PIE Trust, supervising the performance of our functions and obligations. The Supervisor is also responsible for holding the assets of the PIE Trust as custodian (or arranging for a related company to do that). Further information on the trust, including the trust documents, can be found by searching under "Schemes" at <https://disclose.register.companiesoffice.govt.nz/>, using scheme number 10249.

We manage the PIE Trust and the FMT GIF, including deciding who to loan money to. We have been successfully managing investments for over 20 years.

When you invest in the PIE Trust your money is pooled with other investors in the PIE Trust. In return for your investment you receive units in the PIE Trust.

The PIE Trust invests solely in the FMT GIF. The FMT GIF invests in loans backed by first mortgages. To maintain liquidity the FMT GIF also invests in on-call and term deposits with New Zealand banks.

### Significant benefits

The main benefits of the PIE Trust are (in summary):

- **PIE tax rates:** You may be able to pay less tax (compared with an investment subject to normal income tax), for the following reasons (but this depends on your personal circumstances - we strongly recommend that you talk to your tax advisor):
  - An individual's share of income from a PIE is taxed at a maximum of 28% (the rate is based on the investor's taxable income plus PIE income, and is based on the lower of the previous two years income).
  - Investing via a PIE can extend the amount of income that a 10.5% or 17.5% tax rate is applied to, depending on other income sources of an investor.
  - Tax paid by the PIE Trust is a final tax, which means that there is no requirement for individuals to include PIE income in their own tax return, unless an incorrect PIR tax rate has been selected.
- **No tax returns:** As a PIE, the PIE Trust pays tax on behalf of each individual New Zealand resident investor, at the investor's tax rate. Investors do not, therefore, generally have to file separate tax returns if all of their sources of income are subject to taxation at source and they have elected the correct rate to the PIE Trust.
- **Flow through vehicle for some investors:** Where an investor is "zero rated" a PIE is a flow through vehicle. This has advantages for non-taxable investors. See section 6 (What taxes will you pay?) for further information.
- **No upfront fees:** There are no entry fees.
- **Regular income:** We distribute interest earned by the FMT GIF (net of tax, fees, expenses & reserve fund contribution) quarterly and you have the option of reinvesting the distributions in units in the PIE Trust.
- **Flexibility:** The flexibility to withdraw some or all of your investment at any time (withdrawal fees may apply for two years after investing in specific units and we may suspend or defer withdrawals in some circumstances).

Other benefits follow from benefits of the FMT GIF:

- **Active management:** The FMT GIF is actively managed by our experienced team.
- **Security:** Loans are secured by first mortgages with relatively conservative loan to valuation ratios.
- **Reserve fund:** The FMT GIF operates a reserve fund, which is designed to mitigate against a fall in distributions or unit value because of defaults by borrowers or other events affecting investment returns (but the reserve fund is not a guarantee against falls in distributions or unit value and contributions to the reserve fund may reduce overall returns).
- **Diversification:** Because the FMT GIF is a pooled investment investors' risk is spread across cash and the whole mortgage portfolio of the FMT GIF which gives more diversified exposure to the property market than investing directly in a single property loan.

### Value of units

The value of the units in the PIE Trust is based on the market value of the PIE Trust at the relevant time. The value of new units is based on the value of the PIE Trust on the business day before your application for units is received. The PIE Trust value is at any time the net value of the PIE Trust's assets (units in the FMT GIF). The PIE Trust value is therefore linked to the value of the FMT GIF. The value of the FMT GIF is, in summary, the value of deposits with banks and the market value of the loans, less liabilities including undistributed income and the reserve fund value. We aim to maintain the unit price at \$1.00 on an on-going basis. However, the unit price may go up or down because of changes in market conditions and other factors (see Section 4 (What are the risks of investing?) for information on risks).

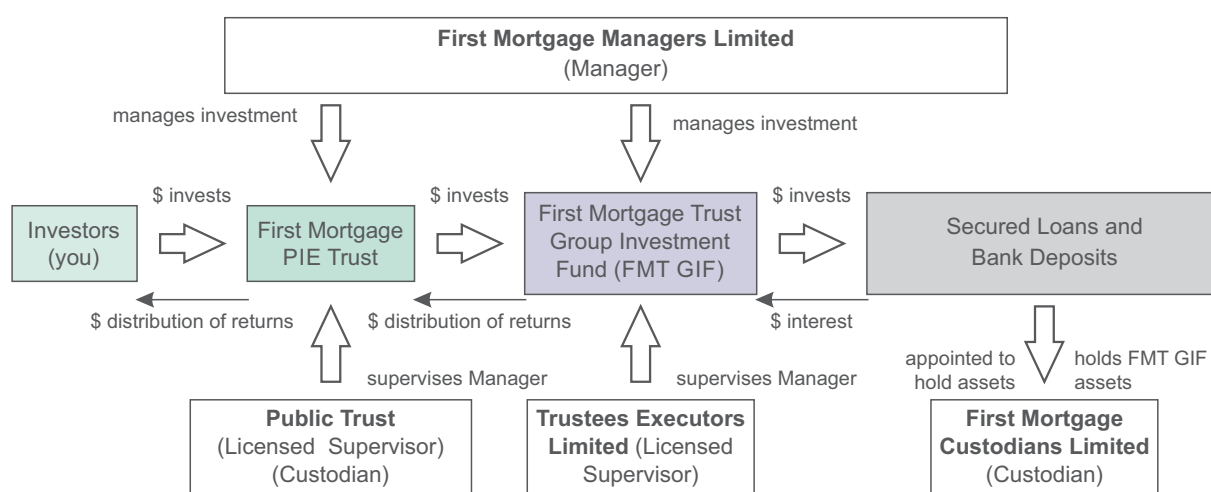
## Reserve fund

The FMT GIF maintains a reserve fund, which is designed to mitigate against a fall in distributions or unit value as a result of defaults by borrowers or other events affecting investment returns. We transfer quarterly 0.175%p.a. of the net asset value of the FMT GIF to the reserve fund. We may also apply additional amounts to the reserve fund, where we consider this is prudent. Any loan loss will be initially set off against the reserve fund. Losses in excess of the reserve fund may impact not only on distributions but also on unit price.

The reserve fund forms part of the FMT GIF's retained earnings and is part of the assets of the FMT GIF (the reserve fund is not held separately from the FMT GIF's assets). You can find the value of the retained earnings in the most recent annual audited or unaudited six-monthly financial statements of the FMT GIF (refer to the "Statement of Financial Position"), which are available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz/>. The value of retained earnings will change after the date of the most recent financial statements. The retained earnings are mostly made up of the reserve fund but may include other amounts including interest on some loans in arrears that is not distributed until received.

## PIE Trust parties

The following diagram shows how the PIE Trust works and the relationship between the parties involved.



## Distributions

Net interest distributions (being the net income earned on the PIE Trust's investments after the payment of tax, fees and expenses (if any)) are calculated quarterly at the end of March, June, September and December in each year. Our usual practice is to pay the distributions to investors on the last business day of each of those months (though this may take longer in limited circumstances).

You can elect to re-invest your distributions in the PIE Trust (see below for how to re-invest). If your interest entitlement in a quarter is less than \$25 we can choose to re-invest your distribution in the PIE Trust.

No assets of the PIE Trust are available to be applied to meet the liabilities of any other fund or scheme.

## Joining the PIE Trust

You can join the PIE Trust by completing an application form (see below- "Making Investments") available from our website ([www.fmt.co.nz](http://www.fmt.co.nz)) and providing it to us.

We reserve the right to reject any application (in whole or in part) without giving any reasons.

## Making investments

Investment in the PIE Trust must be at least \$500 on joining.

Subsequent investments in the PIE Trust must be:

- at least \$100 by a one-off lump sum payment at any time, or
- at least \$100 monthly by automatic payment

You can reinvest your distributions in the PIE Trust for further units, by request in writing to us and subject to our acceptance. Requests must be submitted to us at least 30 days before the end of the relevant distribution period.

## Withdrawing your investments

To withdraw from the PIE Trust you must complete a Withdrawal Notice (available from us).

A Withdrawal Notice must be for at least 100 units or the whole amount of your investment, if less than 500 units.

Withdrawals are normally actioned twice a week (on Monday and Thursday) and we aim (but don't assure) that we will action withdrawals within 4 business days of receipt of a complying withdrawal request.

However, we may:

- Suspend withdrawals if financial, political or economic conditions, the nature of an investment or the occurrence of any other circumstance relating to the PIE Trust, mean it is appropriate to suspend withdrawals.
- Defer withdrawals if a Withdrawal Notice is, or a series of Withdrawal Notices are, received within a period of 3 months in respect of the same holding of units and relate to more in total than 5% of the number of units on issue and we and the Supervisor agree the deferral is in the best interests of all investors.

Except in limited circumstances relating to a deceased investor, a mentally disordered investor, bankruptcy, or liquidation of any investor, units in the PIE Trust are not transferable without our prior written consent and then subject to such terms and conditions as we may in our discretion impose.

### 3 DESCRIPTION OF YOUR INVESTMENT OPTION

Name of the fund	First Mortgage PIE Trust
<b>Summary of investment objective and investment strategy</b>	<p>The investment objective is to provide investors with an income return at a level better than bank deposits. While this cannot be assured, the Manager's objective is to give investors a pre-tax return (after fees and expenses) per quarter of at least 100 basis points higher than the weighted average registered banks' six month term deposit rates (as published by the Reserve Bank) and competitive with comparable investments. Towards achieving this return, the Manager invests the PIE Trust solely in units in the FMT GIF.</p> <p>The FMT GIF invests in loans secured by mortgages of land and buildings. These must be first mortgages within defined loan-to-value ratios.</p> <p>The FMT GIF also invests in deposits with registered banks (under the Reserve Bank of New Zealand Act 1989).</p> <p>The FMT GIF has a target investment mix (benchmark asset allocation) as follows:</p> <ul style="list-style-type: none"><li>• Cash (on-call and term deposits with a remaining term to maturity of 3 months or less) – 7.5% to 20% of the value of the FMT GIF;</li><li>• Term deposits (with a remaining term to maturity of greater than 3 months but less than one year) - 0% to 20% of the value of the FMT GIF;</li><li>• Secured lending for which the principal mortgaged property is residential property – 40% to 80% of the value of the FMT GIF;</li><li>• Secured lending for which the principal mortgaged property is commercial property – 0% to 35% of the value of the FMT GIF; and</li><li>• Secured lending for which the principal mortgaged property is rural property – 0% to 25% of the value of the FMT GIF.</li></ul> <p>Please refer to the latest fund update for details of the actual investment mix.</p>
<b>Risk category</b>	<p>The PIE Trust has a risk category of "1". See Section 1 (Key information summary) on page 1 of this document for the PIE Trust's risk indicator and Section 4 (What are the risks of investing?) on page 8 of this document for information to assist with understanding the risk indicator.</p>

<b>Minimum suggested timeframe for holding the investment</b>	2 years. This is because the FMT GIF mortgage lending terms are generally 18 months to 2 years, so this timeframe is generally aligned with the PIE Trust's underlying investments. Also, no withdrawal fees are payable on withdrawals after 2 years from investment in a unit.		
<b>Investment policies</b>	The PIE Trust invests solely in the FMT GIF.		
	We are the manager of the PIE Trust and the manager of the FMT GIF. Our lending policy under the FMT GIF is to establish and maintain a range of loans secured by first mortgages over residential, commercial and rural property. As Manager of the FMT GIF we provide loans for a range of purposes including, but not limited to, buying or refinancing residential, commercial and rural property; working capital for business purposes; property development (land subdivision and construction of residential and commercial property).		
	The FMT GIF's loan portfolio is concentrated in the main urban centres with a particular emphasis on the Bay of Plenty, Waikato, Canterbury, Wellington, and Auckland. Please refer to the latest fund update for the FMT GIF for more details of the geographical spread and investment mix.		
	Our policy as the manager of the FMT GIF, in relation to investing in deposits with registered banks, is to have a mixture of on call deposits and terms deposit (with maturities of up to 12 months).		
	The FMT GIF has lending limits, based on the amount of the loan when compared with the value of the mortgage security property ("loan-to-value" or "LVR") at the time of loan approval, as follows:		
	<b>Residential Mortgages</b>	<b>Commercial Mortgages</b>	<b>Rural Mortgages</b>
	Fee simple land and buildings: up to 75% LVR	Fee simple land and buildings: up to 66.7% LVR	Fee simple: up to 60% LVR
Land with power, water, sewage and associated services ("Services") completed up to 70% LVR	Property used for dairy farming (fee simple): up to 66.67% LVR		
Leasehold: up to 50% LVR	Leasehold: up to 50% LVR	Leasehold: up to 50% LVR	
Vacant land which does not have Services up to 50% LVR	Vacant land which does not have Services up to 50% LVR	Vacant land: up to 50% LVR	
<b>Changes to investment policy</b>	The PIE Trust's statement of investment policies and objectives ("SIPO") may be amended or replaced by prior written notice to and consultation with the Supervisor. Details will be available at <a href="https://disclose-register.companiesoffice.govt.nz">https://disclose-register.companiesoffice.govt.nz</a> .		

Further information about the assets in the fund can be found in the fund updates at [https://www.fmt.co.nz/first\\_mortgage\\_trust\\_fund\\_updates](https://www.fmt.co.nz/first_mortgage_trust_fund_updates).

## 4 WHAT ARE THE RISKS OF INVESTING?

### Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

The following is an example risk indicator. See Section 1 (Key information summary) on page 1 of this document for the filled in risk indicator for the PIE Trust.

← Potentially lower returns				Potentially higher returns →			
1	2	3	4	5	6	7	
← Lower risk				Higher risk →			

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/tools/investor-kickstarter>.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 year period ending 30 September 2020. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for this fund.

### General investment risks

Some of the things that may cause the fund's value to move up and down, which affect the risk indicator, are:

#### Credit risk

A borrower from the FMT GIF may default by not paying interest instalments or loan principal (in part or whole). The risk then is that the value of the security is not sufficient to meet all of the borrower's obligations to repay. We mitigate credit risk by lending only on first mortgage securities, operating within approved loan-to-value ratios and off-setting losses against the reserve fund (but the reserve fund may not be sufficient, or available, to off-set losses in all situations). The latest fund update includes details of the actual investment mix.

#### Market risk

Changes in economic conditions, changes in law, political events, natural disasters and other external factors may result in an increased number of defaults by borrowers under the FMT GIF's mortgage loans, and may cause a drop in the value of mortgaged residential, commercial and rural property, and may affect returns from bank deposits. In general, the stronger the economy the less likelihood of borrower default. A weaker economy may lead to increased borrower default. Examples include:

- Where a loan is secured against a tenanted commercial property, an economic downturn could mean the tenant(s) in that secured property are unable to meet rental payments, so increasing the chance of borrower default.
- Where rural commodity prices fall, the income earned by a borrower operating in the rural sector will likewise fall and borrower default is more likely. The converse is true where rural commodity prices increase.

Market risk is mitigated, including through limits on exposure to particular parts of the market.

### **Development lending risk**

Lending for development by the FMT GIF carries risk of default associated with failure of the developer to complete the project, whether it be completed sections or buildings. We mitigate against this risk in a number of ways, including by lending to borrowers with the appropriate experience and structuring the loan with appropriate development specific controls and security.

### **Interest rate risk**

The market demand for loans secured by first mortgage is directly affected by general movements in interest rates throughout the finance industry in New Zealand, which can be influenced by economic conditions and inflation. If interest rates decrease, returns for the FMT GIF and the PIE Trust as an investor in the FMT GIF, will likewise decrease. Conversely, if interest rates increase, returns for the FMT GIF and the PIE Trust as an investor in the FMT GIF will increase.

### **Active management risk**

Risk arises from our active management of the FMT GIF, for example as manager of the FMT GIF we may make poor lending decisions, increasing the risk of default. We mitigate against that risk by employing experienced managers and credit analysts and operating a loan approval process that assesses loans against key criteria including the loan to value ratio standards.

### **Other specific risks**

#### **Liquidity**

There is a risk that the PIE Trust will not have sufficient liquid assets to meet withdrawal requests. We mitigate against the risk by relying on the liquidity of the units in the FMT GIF held by the PIE Trust. The FMT GIF invests in loans secured by mortgages which, by their nature, are relatively illiquid. The FMT GIF mitigates this risk by maintaining at least 7.5% of the FMT GIF's assets in liquid investments (in on call and short term bank deposits). However, we (either as manager of the FMT GIF or the PIE Trust) may need to defer or suspend withdrawals if there are insufficient liquid assets to meet requests. Please refer to the latest fund update for more details of call and short term bank deposits held.

#### **Key person risk**

The Manager's Loans Committee overseeing lending options of the FMT GIF is a relatively small team which creates risk from over-reliance on the skills of those individuals. The selection of lending options is dependent on the knowledge, commitment and continued involvement of the Loans Committee. It is possible that one or more members of the Loans Committee may wish to step down from their role. If this were to occur, this could have an adverse effect on performance. We manage this risk by ensuring there are alternatives who could be appointed to the Loans Committee.

#### **Operational risk**

As Manager of the PIE Trust or the FMT GIF we may fail to do what was agreed. Operational or systems failures by us, or by another person providing services on our behalf, could mean we are unable to manage assets effectively, which may impact on performance of the PIE Trust and FMT GIF. That risk is mitigated through compliance assurance systems and governance processes, internal audit processes and periodic Supervisor reviews.

#### **Inflation risk**

Inflation reduces the real value of all investments. If you invest long-term in a fund like the PIE Trust with a high proportion of cash or other relatively conservative investments, you take a risk that the value of the investments will not keep up with inflation.



## 5 WHAT ARE THE FEES?

You will be charged fees for investing in the PIE Trust. Fees are deducted from your investment and will reduce your returns. If the Manager invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways –

regular charges (for example annual fund charges). Small differences in these fees can have a big impact on your investment over the long term;

one off fees (for example, early withdrawal fees).

<b>Total Annual Fund Charge</b>	Estimated at 1.8% per annum of the net asset value of the PIE GIF plus GST (if any) (being the Total Annual Fund Charge of the FMT GIF, the underlying fund for the PIE Trust).
The Total Annual Fund Charge is comprised of the following fees charged by the FMT GIF:	
<b>Manager's basic fee:</b>	1.5% per annum of the net asset value of the FMT GIF plus GST (if any).
<b>Supervisor's fee:</b>	0.1% per annum of the net asset value of the FMT GIF up to \$50 million and thereafter 0.05% per annum of the net asset value of the FMT GIF plus GST (if any).
<b>Administrative charges:</b>	Estimated at 0.2% per annum of the net asset value of the FMT GIF.

The Manager's fee covers management services and is calculated daily and paid monthly in arrear out of the FMT GIF's assets.

The Supervisor's fee covers supervision, trustee and custodial services and is calculated daily and paid quarterly in arrear out of the FMT GIF's assets.

Administrative charges are the estimated annual expenses of the FMT GIF which include costs of communications to investors, audit fees, legal fees and an entitlement to 50% of the penalty interest received on any recovery conducted by the Manager. The right to receive 50% of the penalty interest is to compensate for overall recovery costs. These amounts are deducted from the FMT GIF.

There are no performance-based fees in relation to the PIE Trust or the FMT GIF.

<b>Withdrawal fees</b> (Individual action fees)	<p>We reserve the right to charge a withdrawal fee of 2% of the amount withdrawn during the first year of investment in units and 1% of the amount withdrawn during the second year of investment in units. These are payable by individual investors and do not form part of the Total Annual Fund Charge. The fees are deducted from the amount paid back to investors and are paid to the Manager.</p> <p>There is no withdrawal fee for investors who withdraw after their second year of investment in units.</p>
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### Example of how fees apply to an investor

Tom invests \$10,000 in the First Mortgage PIE Trust.

The starting value of his investment is \$10,000.

He is not charged any management and administration fees in relation to the PIE Trust but there are management and administration charges in the FMT GIF which work out to about \$180 (1.8% of \$10,000). These fees might be more or less if his account balance has increased or decreased over the year.

Over the next year, Tom pays other charges of \$20, being an early withdrawal fee of 2% on \$1,000 of units withdrawn during the first year of investment.

#### Estimated total fees for the first year

Individual action fees: \$ 20

Fund charges: \$180 (being in relation to the underlying fund, the FMT GIF)

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

### The fees can be changed

The Manager's fee and the Supervisor's fee may change (up to the value approved in the trust documents) by agreement between the Supervisor and the Manager. An increase of fees beyond levels approved in the trust documents, or of the value of the withdrawal fees that we can charge (at our discretion) investors during the first two years of investment, can only be made by amendment of the trust deed establishing the PIE Trust.

First Mortgage Managers Limited must publish a fund update for the fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at [https://www.fmt.co.nz/first\\_mortgage\\_trust\\_fund\\_updates](https://www.fmt.co.nz/first_mortgage_trust_fund_updates).

## 6 WHAT TAXES WILL YOU PAY?

The PIE Trust is a portfolio investment entity ("PIE"). The amount of tax you pay is based on your prescribed investor rate ("PIR"). To determine your PIR, go to the application form distributed with this document. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell the Manager your PIR when you invest or if your PIR changes. If you do not tell the Manager, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

## 7 WHO IS INVOLVED?

### About the Manager

The manager of the PIE Trust is First Mortgage Managers Limited which has its contact address at 15 First Avenue, PO Box 13083, Tauranga 3141 and whose contact details are:

Telephone:	07 578 0754
Freephone:	0800 321 113
Email:	<a href="mailto:team@fmt.co.nz">team@fmt.co.nz</a>

The sole business of the Manager is to act as manager of the PIE Trust as well as of the FMT GIF.

The Manager was established in early 1996 with a primary purpose to establish a vehicle by which investors could invest money for an interest return greater than that of a trading bank's term deposit rate.

The Manager, in its capacity as manager of the FMT GIF, has built a niche market focused on its ability to remain flexible within its lending criteria. This flexibility has enabled first mortgage loan advances to be made available across a range of residential, commercial and rural properties, including a wide range of business activities.

### Who else is involved?

	Name	Role
Supervisor and Trustee	Public Trust	Acts on behalf of investors with respect to the Manager and other matters and supervises the Manager's compliance with its obligations, and acts as trustee of the PIE Trust.
Custodian	Public Trust	Holds all of the assets of the PIE Trust on behalf of the PIE Trust.

## 8 HOW TO COMPLAIN

If you have any issues or concerns regarding your investment in the PIE Trust the Manager would like the opportunity to put it right. Please don't hesitate to contact us at:

**The Manager:** First Mortgage Managers Limited  
15 First Avenue Telephone: 07 578 0754  
PO Box 13083 Freephone: 0800 321 113  
Tauranga 3141 Email: team@fmt.co.nz  
Attention: Financial Controller

A copy of First Mortgage Managers Limited complaints procedure is available on request.

If for any reason the Manager can't resolve the matter, please contact:

**The Supervisor:** Public Trust Corporate Trustee Services  
Level 9 Freephone: 0800 371 471  
34 Shortland Street  
Auckland 1010  
Private Bag 5902  
Wellington  
Attention: Manager Client Services

The Manager and the Supervisor are members of Financial Services Complaints Limited ("FSCL") an approved dispute resolution scheme.

If the matter is not resolved within 20 working days (or 40 working days where the Manager has notified you that it has good reason to extend the time for resolving the matter and what that good reason is) after contacting either the Manager or the Supervisor, or if you are dissatisfied with the proposed resolution, then you can refer it to **FSCL** at:

Level 4 (Call Free) 0800 347 257  
101 Lambton Quay (Wellington) 04 472 FSCL (472 3725)  
PO Box 5967  
Lambton Quay  
Wellington 6140

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints can also be made to the Financial Markets Authority through its website <https://www.fma.govt.nz>

## 9 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the PIE Trust and the units is available on the offer register and the scheme register (for example, financial statements).

A copy of information on the offer register or scheme register is available on request to the Registrar.

The internet address for the offer register and scheme register is <https://disclose-register.companiesoffice.govt.nz/>.

You may request, at any time, copies of the Trust Deed, the SIPO, the most recent financial statements, the most recent annual report for the PIE Trust, and fund updates by contacting the Manager at:

First Mortgage Managers Limited  
15 First Avenue  
PO Box 13083  
Tauranga 3141

Telephone: 07 578 0754  
Freephone: 0800 321 113  
[team@fmt.co.nz](mailto:team@fmt.co.nz)

Copies of the above documents will be provided free of charge on request to the Manager. These documents are also available for public inspection at the offices of the Manager at 15 First Avenue, Tauranga and on the offer register.

## 10 HOW TO APPLY

To apply for units in the PIE Trust you must complete the application form distributed with this document and send the completed application form with other required identity documents and your cheque payment to:

First Mortgage Managers Limited  
PO Box 13083  
Tauranga 3141

Alternatively, you can send the completed application form with other required identity documents to the Manager at the above address who will, on receipt of the completed documents, contact you and advise you of the PIE Trust's bank account details to enable you to transfer investment funds.

The Manager may, at its discretion, also accept emailed applications sent to: [team@fmt.co.nz](mailto:team@fmt.co.nz)



Account #

### 1. INVESTOR INFORMATION

#### Investor 1 (principal account holder)

Title: ☐ Mr ☐ Mrs ☐ Ms ☐ Miss ☐ Other \_\_\_\_\_

First name(s):

Surname:

Occupation:

Date of birth:     /     /

Home address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Postal address (if different from your home address):

Postcode: \_\_\_\_\_

Home phone:

Mobile phone:

Email: ☐ ALL CORRESPONDENCE BY EMAIL ONLY

Country of birth:

Citizenship:

#### Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador? Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship:

#### Investor 2 (if applicable)

Title: ☐ Mr ☐ Mrs ☐ Ms ☐ Miss ☐ Other \_\_\_\_\_

First name(s):

Surname:

Occupation:

Date of birth:     /     /

Home address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Postal address (if different from your home address):

Postcode: \_\_\_\_\_

Home phone:

Mobile phone:

Email: ☐ ALL CORRESPONDENCE BY EMAIL ONLY

Country of birth:

Citizenship:

#### Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador? Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship:

#### TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #  
        (go to section D)  
**AND/OR**

Taxpayer's Prescribed Investor Rate ☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28%

☐ I am a tax resident of one or more countries other than New Zealand and I have listed these below  
(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

List other country of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

- ☐ A - Country doesn't issue TIN  
☐ B - Country doesn't require TIN collection  
☐ C - Applied for TIN, and will provide soon  
☐ Z - Cannot obtain TIN (explain below)

**AND IF** Reason Z, explanation for not being able to obtain TIN

If you are a tax resident in more than one foreign jurisdiction please contact us.

#### TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #  
        (go to section D)  
**AND/OR**

Taxpayer's Prescribed Investor Rate ☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28%

☐ I am a tax resident of one or more countries other than New Zealand and I have listed these below  
(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

List other country of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

- ☐ A - Country doesn't issue TIN  
☐ B - Country doesn't require TIN collection  
☐ C - Applied for TIN, and will provide soon  
☐ Z - Cannot obtain TIN (explain below)

**AND IF** Reason Z, explanation for not being able to obtain TIN

If you are a tax resident in more than one foreign jurisdiction please contact us.

## 2. INVESTMENT DETAILS

Amount you are investing (minimum \$500) \$ \_\_\_\_\_

Regular instalment (minimum \$100 monthly). I/we wish to make regular savings contributions of \$ \_\_\_\_\_ on a fortnightly / monthly (*circle one*) basis. I understand that an automatic payment authority will be sent to me/us on receipt of my/our signed, application form.

What is the purpose of your investment?

☐ Accumulation of Wealth ☐ Retirement ☐ Income stream ☐ Other (*please specify*) \_\_\_\_\_

What are the source of funds?

☐ Salary ☐ Savings (*if maturing Term Deposit please provide a copy of the maturity notice*) ☐ Inheritance

☐ Sale of Property ☐ Other (*please specify*) \_\_\_\_\_

Formal written confirmation may be required of the source of funds and its origination. For example, if funds have been on term deposit with a bank following the sale of a property then a copy of the maturing term deposit notice from the bank may be required (the source of the funds), in addition to a copy of the Sale & Purchase Agreement or Settlement Statement from your lawyer (how the funds were derived).

## 3. DISTRIBUTION INSTRUCTIONS (*please tick as appropriate*)

☐ Distribute returns

Please attach a printed bank deposit slip or bank generated confirmation of account details, into which the investment income is to be paid.

☐ Reinvest returns in additional units

## 4. CONFIRMING YOUR IDENTITY AND ADDRESS

To comply with anti-money laundering laws, we need to verify your Identity and your physical Address.

### INVESTOR 1

IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

To make this verification process quick and simple for you, we have invested in facial recognition technology.

We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

1. take a photograph of your NZ or Australian driver licence or passport
2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

***If we cannot verify your information electronically, certified documentation will be needed - see C below.***

NZ Driver Licence # \_\_\_\_\_

Version # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

***Please note certification of documents must be by a “trusted referee”.  
See the description of who is a trusted referee in Annexure 2.***



#### 4. CONFIRMING YOUR IDENTITY AND ADDRESS

To comply with anti-money laundering laws, we need to verify your Identity and your physical Address.

##### INVESTOR 2

IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

To make this verification process quick and simple for you, we have invested in facial recognition technology.

We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

1. take a photograph of your NZ or Australian driver licence or passport
2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

***If we cannot verify your information electronically, certified documentation will be needed - see C below.***

NZ Driver Licence # \_\_\_\_\_

Version # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

***Please note certification of documents must be by a “trusted referee”.  
See the description of who is a trusted referee in Annexure 2.***

#### 4.1 DOCUMENTARY IDENTIFICATION OPTIONS IF REQUIRED

Identification Option 1	Identification Option 2	Identification Option 3
<b>One of:</b> <input type="checkbox"/> NZ Passport <input type="checkbox"/> NZ Certificate of identity <input type="checkbox"/> NZ Firearms Licence <input type="checkbox"/> Overseas Passport <input type="checkbox"/> Emergency travel document <input type="checkbox"/> Foreign-issued national identity document <input type="checkbox"/> NZ Refugee travel document	<input type="checkbox"/> NZ Driver Licence <b>and one of:</b> <input type="checkbox"/> A credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card) <input type="checkbox"/> A bank account statement issued by a registered NZ bank addressed to the Investor from the last 12 months <input type="checkbox"/> A document issued by a NZ government agency containing the Investors name and signature (eg a SuperGold card) <input type="checkbox"/> An IRD statement or other NZ government agency statement addressed to the Investor from the last 12 months	One of the following forms of photo ID: <input type="checkbox"/> NZ Driver Licence <input type="checkbox"/> 18+ card (Hospitality Association) <input type="checkbox"/> A valid International driving permit <b>and one of:</b> <input type="checkbox"/> NZ full Birth Certificate <input type="checkbox"/> Certificate of NZ Citizenship <input type="checkbox"/> Citizenship Certificate issued by a foreign government <input type="checkbox"/> Birth Certificate issued by a foreign government

##### Physical Address Verification requirement

In addition to the above, each Investor (Controlling Person) must supply a copy of one form of address verification documentation from the following list which cannot be more than **6 months old**:

- ☐ Utility bill (water, power, telephone, gas, sky or internet service provider)
- ☐ IRD tax assessment notice (New Zealand)
- ☐ Credit card/bank statements from an active account
- ☐ Government valuation of real properties (evidencing ownership) or rates notice
- ☐ Tenancy Agreement for a New Zealand address
- ☐ If you are a financial institution you will need to provide additional information. Please contact us

## 5. YOUR DISCLOSURES, ACKNOWLEDGEMENTS AND AGREEMENTS

### A. Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put First Mortgage Managers Limited (the "Manager" or "us") in breach of the AML/CFT.

You agree to provide all additional information and assistance requested by us and comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities; or
- the proceeds of any investment will fund any illegal activities.

The Manager cannot accept or process funds until such time as we have received all documentation required to satisfy our AML/CFT obligations. You agree that the Manager is not liable for any losses incurred as a result of any action we take or omit to take and which either delays your investment or results in an application being declined, when these actions or omissions are necessary for us to comply with our obligations under the AML/CFT.

### B. Privacy Act 2020

This privacy statement relates to personal information (as that term is used in the Privacy Act 2020) that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us for the purposes of enabling us to arrange and manage your investment, to meet our obligations to identify you, to contact you in relation to your investment and to market other products and services to you.

You authorise us to disclose your personal information to the Manager's related entities, to any third parties, as may be needed to perform services by the Manager; to regulatory bodies or law enforcement agencies and to meet the Manager's legal or regulatory obligations. The Manager will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held by us about you. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about the Manager and other products and services, offered by the Manager.

### C. Tax Residency and Foreign Tax

- ☐ I/We declare that all the information supplied and all statements made in this application form are, to the best of my/our knowledge and belief, correct and complete. I/We understand that not giving information or giving false information could have serious consequences under New Zealand law.
- ☐ I/We authorise the Manager to make any enquiries it considers necessary for confirmation of the above.
- ☐ I/We declare that: the information contained in this application form and information regarding the Investor and any account(s) may be reported to the tax authorities of the country/ jurisdiction in which this account(s) is/are maintained and exchanged with tax authorities of another country/jurisdiction or countries/jurisdictions in which the Investor may be tax resident pursuant to intergovernmental agreements to exchange financial account information.
- ☐ I/We undertake to advise the Manager within 20 days of any change in circumstances which affects the tax residency status of the Investor or cause the information contained herein to become incorrect or incomplete and to provide the Manager a suitably updated self-certification and declaration and relevant documentation (as requested) within 20 days (or a lesser period as requested by the Manager) of such change in circumstances.
- ☐ I/We certify that all statements made in this declaration also extend to any information that I/we (or an authorised person on my/our behalf) may supply to the Manager, in whatever manner, subsequent to signing this form.
- ☐ I/We understand the Manager may need extra information from me about my tax residency status, and I/we will provide any extra information the Manager requests.

### D. Power of Attorney

If you are signing for the Investor under a power of attorney you have also attached:

- A certified copy of the power of attorney and completed the certificate of non-revocation; and
- Identification and verification of address of the attorney has been provided.

### E. Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

### F. Authority

Unless we hold written authority from all parties authorising a specific person(s) to act on behalf of the Investor, we shall require all parties to sign any withdrawal/variation requests.

### G. Electronic Verification - see 6. Declaration

## 6. DECLARATION

I/We have read and retained a copy of the attached Product Disclosure Statement for First Mortgage PIE Trust. I/We agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, AML/CFT and Tax Residency acknowledgements. I/We understand that the value of my/our investment is liable to fluctuations and may rise and fall from time to time.

In addition, by signing this application form, I/we certify that:

- the Investor(s) are as shown on this application form; and

The Investor(s) appoint Public Trust as their agent for the purposes of making this investment and any subsequent investment.

**I/We understand that neither the Manager, Public Trust nor any other person guarantees the performance of the First Mortgage PIE Trust or the repayment of capital or any particular rate of return from First Mortgage PIE Trust.**

**Signed for Investor (each Controlling Person). Attach additional pages if more signatures are required:**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

### Electronic Verification

- ☐ I/We agree that the Manager may electronically verify the identity of those person(s) that have elected in Section 4 to have their identity verified in this manner.
- ☐ I/We agree to the Manager using the personal information collected in this application form and identity documents provided to electronically verify identity (this includes address verification). This includes disclosing your personal information to external agencies to match that information with your personal information held in the databases of such agencies.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

### Electronic Verification

- ☐ I/We agree that the Manager may electronically verify the identity of those person(s) that have elected at in Section 4 to have their identity verified in this manner.
- ☐ I/We agree to the Manager using the personal information collected in this application form and identity documents provided to electronically verify identity (this includes address verification). This includes disclosing your personal information to external agencies to match that information with your personal information held in the databases of such agencies.

## PAYMENT METHOD

1. Please scan and email the application form to: [team@fmt.co.nz](mailto:team@fmt.co.nz)
2. Once we have received the completed documentation, and completed your account opening process, we will provide our bank account details to enable you to transfer investment funds.

**ANNEXURE 1 - Certificate of Non-Revocation of Power of Attorney**  
**(Complete only if this application is being signed by attorney)**

I/We \_\_\_\_\_

of (address and occupation of attorney(s)) \_\_\_\_\_

**HEREBY CERTIFY THAT:**

1. By power of attorney dated the \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(Name and occupation of person for whom attorney is signing)

("donor") appointed me his/her/its attorney on the terms and conditions set out in that power of attorney.

2. I/We have executed the application for units printed on the face of this form as attorney under that power of attorney and pursuant to the power thereby conferred upon me.

3. At the date of this certificate I have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the donor or otherwise.

Signed at \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Signature(s) of attorney(s) \_\_\_\_\_

**ANNEXURE 2 - Application Forms**  
**Who is a Trusted Referee?**

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth representative (as defined in the Oaths and Declarations Act 1957)
- An employee of the Police who holds the office of constable
- Justice of the peace
- Registered medical doctor
- Kaumātua
- Registered teacher
- Minister of religion
- Lawyer
- Notary public
- New Zealand Honorary consul
- Member of Parliament
- Chartered Accountant
- A person who has the legal authority to take statutory declarations or the equivalent in New Zealand

In addition, the trusted referee must **not be**:

- Related to the Investor; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the investor
- The spouse or partner of the Investor
- A person who lives at the same address as the Investor
- A person involved in the transaction or business requiring the certification

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the Investor.

The certification by the trusted referee must include the name, occupation, signature of the trusted referee and the date of certification.

**Certification must have been carried out in the three months preceding the presentation of the copied document, to the Manager.**



# FIRST MORTGAGE PIE TRUST

## APPLICATION FORM Companies, Trusts, Incorporated Societies, Partnerships and Estates

Account #

### 1. INVESTOR INFORMATION

Entity Type: ☐ Company ☐ Trust ☐ Partnership ☐ Other

Full legal name

Client#

Office use only

Registration number (if applicable)

County of Establishment/Incorporation

Primary nature of business

Industry

Trusts only Type of Trust: ☐ Discretionary Trust ☐ Charitable Trust ☐ Other, please specify

If a Charitable Trust please state object of the Trust

Registered address/  
Principal place of  
business  
(Do not provide a  
PO Box or c/-  
of address):

Postal address  
(if different from  
registered address):

Contact phone/s:

Email:

☐ ALL CORRESPONDENCE BY EMAIL ONLY

### 2. INVESTMENT DETAILS

Amount you are investing (minimum \$500) \$

What is the purpose of your investment?

☐ Accumulation of Wealth ☐ Retirement ☐ Income stream ☐ Other (please specify)

What are the source of funds?

☐ Salary ☐ Savings (if maturing Term Deposit please provide a copy of the maturity notice) ☐ Inheritance

☐ Sale of Property ☐ Other (please specify)

Please note: For trusts formal written confirmation will be required of the source of funds and its origination. Written confirmation may be requested for other entity types. For example, if funds have been on term deposit with a bank following the sale of a property then a copy of the maturing term deposit notice from the bank will be required (the source of the funds) in addition to a copy of the Sale & Purchase Agreement or Settlement Statement from your lawyer (how the funds were derived).

### 3. DISTRIBUTION INSTRUCTIONS (please tick as appropriate)

☐ Distribute returns

☐ Reinvest returns in additional units

Please attach a printed bank deposit slip or bank generated confirmation of account details, into which the investment income is to be paid.

#### 4. TAX INFORMATION

Investor's IRD number

Prescribed Investor rate ☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28%

*If a Prescribed Investor Rate is not selected, or no IRD number is provided, 28% will apply.*

*Please see the 'Taxation' section in the Annexures.*

##### A: ENTITY CLASSIFICATION Refer to Sections 7 and 8 for assistance with entity classification

Please provide the account holder's status by ticking one of the following boxes

- ☐ Active Non-Financial Entity (NFE)
- ☐ Passive Non-Financial Entity (NFE)
- ☐ Financial Institution
- ☐ Managed Investment Entity (Participating CRS country)
- ☐ Managed Investment Entity (Non-participating CRS country)
- ☐ Custodial Institution
- ☐ Investment Entity – other

##### B: ENTITY ACCOUNT HOLDER TAX RESIDENCE (S)

Complete for Active NFE, Passive NFE and Managed Investment Entity (Non-participating CRS country)

Please select one option below

- ☐ The entity is a tax resident in New Zealand
- ☐ The entity is Fiscally Transparent and has no residency for tax purposes. Its place of effective management or country where its principal/registered office is located is:

- ☐ The entity is a tax resident of one or more countries other than New Zealand as listed below.

(Please list all your other countries of tax residency)

Country of Tax Residence	Tax Number (or equivalent)	No Tax Number	Please provide a reason code	Please provide an explanation
		<input type="checkbox"/>		
		<input type="checkbox"/>		
		<input type="checkbox"/>		

##### Reason codes

The country you declared you are a tax resident of:

A – Country doesn't issue TIN

B – Country doesn't require TIN collection

C – Applied for TIN, and will provide soon

Z – Cannot obtain TIN (please explain above)

##### C: CONTROLLING PERSON(S) Refer to sections 7 and 8 for further information

Complete for Passive NFE and Managed Investment Entities (Non-participating countries).

Please provide the tax residency information for all controlling persons, including beneficiaries where applicable.

Print Full Name (s)	Office USE ONLY (Existing customer)



## 5. CONTROLLING PERSON 1

A. Capacity: ☐ Trustee ☐ Director ☐ Shareholder ☐ Appointor / Settlor ☐ Authorised Signatory ☐ Partner ☐ Other \_\_\_\_\_

Title	First Name(s)	Surname
Date of birth / /	Country of birth	Citizenship
Occupation	Home address	Postal address (if different to home address)
Home phone	Mobile phone	Email

### B. Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador? Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship \_\_\_\_\_

### C. CONTROLLING PERSON TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #         (go to section D) **AND/OR**

☐ I am a tax resident of one or more countries other than New Zealand and I have listed all these below

(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

Country of tax residence 2

Country of tax residence 3

List of all countries of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)
<b>AND IF</b> Reason Z, explanation for not being able to obtain TIN		

### D. IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

To make this verification process quick and simple for you, we have invested in facial recognition technology.

We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

1. take a photograph of your NZ or Australian driver licence or passport
2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

*If we cannot verify your information electronically, certified documentation will be needed - see C below.*

NZ Driver Licence # \_\_\_\_\_

Version # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

**Please note certification of documents must be by a "trusted referee".  
See the description of who is a trusted referee in Annexure 2.**

## 5. CONTROLLING PERSON 2

A. Capacity: ☐ Trustee ☐ Director ☐ Shareholder ☐ Appointor / Settlor ☐ Authorised Signatory ☐ Partner ☐ Other \_\_\_\_\_

Title	First Name(s)	Surname
Date of birth / /	Country of birth	Citizenship
Occupation	Home address	Postal address (if different to home address)
Home phone	Mobile phone	Email

### B. Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador?

Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship \_\_\_\_\_

### C. CONTROLLING PERSON TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #         (go to section D) **AND/OR**

☐ I am a tax resident of one or more countries other than New Zealand and I have listed all these below

(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

Country of tax residence 2

Country of tax residence 3

List of all countries of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)
<b>AND IF</b> Reason Z, explanation for not being able to obtain TIN		

### D. IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

To make this verification process quick and simple for you, we have invested in facial recognition technology.

We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

1. take a photograph of your NZ or Australian driver licence or passport
2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

*If we cannot verify your information electronically, certified documentation will be needed - see C below.*

NZ Driver Licence # \_\_\_\_\_

Version # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

**Please note certification of documents must be by a "trusted referee". See the description of who is a trusted referee in Annexure 2.**

## 5. CONTROLLING PERSON 3

A. Capacity: ☐ Trustee ☐ Director ☐ Shareholder ☐ Appointor / Settlor ☐ Authorised Signatory ☐ Partner ☐ Other \_\_\_\_\_

Title	First Name(s)	Surname
Date of birth / /	Country of birth	Citizenship
Occupation	Home address	Postal address (if different to home address)
Home phone	Mobile phone	Email

### B. Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador? Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship \_\_\_\_\_

### C. CONTROLLING PERSON TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #         (go to section D) **AND/OR**

☐ I am a tax resident of one or more countries other than New Zealand and I have listed all these below

(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

Country of tax residence 2

Country of tax residence 3

List of all countries of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)
<b>AND IF</b> Reason Z, explanation for not being able to obtain TIN		

### D. IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

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We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

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2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

*If we cannot verify your information electronically, certified documentation will be needed - see C below.*

NZ Driver Licence # \_\_\_\_\_  
Version # \_\_\_\_\_  
D.O.B \_\_\_\_\_  
Expiry \_\_\_\_\_  
Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_  
D.O.B \_\_\_\_\_  
Expiry \_\_\_\_\_  
Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

**Please note certification of documents must be by a "trusted referee".  
See the description of who is a trusted referee in Annexure 2.**

## 5. CONTROLLING PERSON 4

A. Capacity: ☐ Trustee ☐ Director ☐ Shareholder ☐ Appointor / Settlor ☐ Authorised Signatory ☐ Partner ☐ Other \_\_\_\_\_

Title	First Name(s)	Surname
Date of birth / /	Country of birth	Citizenship
Occupation	Home address	Postal address (if different to home address)
Home phone	Mobile phone	Email

### B. Are you or are you immediately related to:

A senior member of NZ or foreign government, the judiciary, the military or an ambassador?

Yes ☐ No ☐

If Yes, please provide further information regarding position and relationship \_\_\_\_\_

### C. CONTROLLING PERSON TAX RESIDENCE(S)

I confirm

☐ I am a tax resident in New Zealand IRD #         (go to section D) **AND/OR**

☐ I am a tax resident of one or more countries other than New Zealand and I have listed all these below

(Please note, United States of America Citizens are considered to be tax residents of the United States of America)

Country of tax residence 1

Country of tax residence 2

Country of tax residence 3

List of all countries of tax residence (other than New Zealand)

List Tax Identification Number (TIN) (or country equivalent)

OR Reason if TIN is not provided

<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)	<input type="checkbox"/> A - Country doesn't issue TIN <input type="checkbox"/> B - Country doesn't require TIN collection <input type="checkbox"/> C - Applied for TIN, and will provide soon <input type="checkbox"/> Z - Cannot obtain TIN (explain below)
<b>AND IF</b> Reason Z, explanation for not being able to obtain TIN		

### D. IDENTIFICATION REQUIREMENTS: Please select option A, B or C

☐ **A: Biometric Verification – preferred method**

To make this verification process quick and simple for you, we have invested in facial recognition technology.

We use facial recognition technology to biometrically match your face to the picture on your ID. In order for us to do this you will be sent a link via a text message from First Mortgage Trust. Using your mobile phone you will be asked to:

1. take a photograph of your NZ or Australian driver licence or passport
2. follow prompts to take a video of your face
3. verify that the details captured off your driver licence or passport are correct
4. confirm or add your residential address
5. this information is then verified to confirm your ID and address.

*Preferred method as no documents required.*

☐ **B: Electronic Verification**

**Form of Identification - Driver Licence**

**Form of Identification - Passport**

Please select the form of identification to be provided and complete details in the corresponding column

☐ NZ Driver Licence or

☐ NZ Passport

*If we cannot verify your information electronically, certified documentation will be needed - see C below.*

NZ Driver Licence # \_\_\_\_\_

Version # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

NZ Passport # \_\_\_\_\_

D.O.B \_\_\_\_\_

Expiry \_\_\_\_\_

Years at current address \_\_\_\_\_

☐ **C: Certified Documentation**

Refer to Section 4.1 for identification options available.

You will need to provide certified documents if we are unable to successfully identify you using options A & B.

**Please note certification of documents must be by a "trusted referee". See the description of who is a trusted referee in Annexure 2.**

## 6. DOCUMENTARY IDENTIFICATION OPTIONS

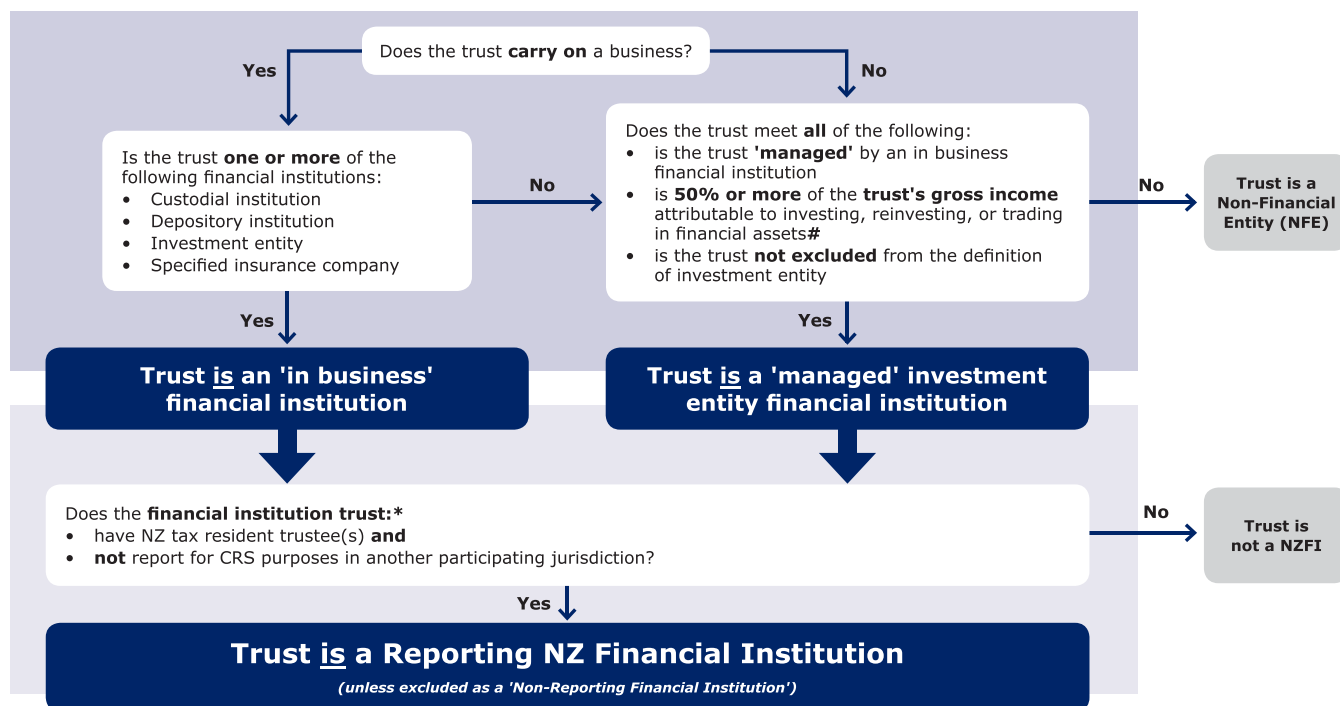
Identification Option 1	Identification Option 2	Identification Option 3
<p>One of:</p> <p><input type="checkbox"/> NZ Passport</p> <p><input type="checkbox"/> NZ Certificate of identity</p> <p><input type="checkbox"/> NZ Firearms Licence</p> <p><input type="checkbox"/> Overseas Passport</p> <p><input type="checkbox"/> Emergency travel document</p> <p><input type="checkbox"/> Foreign-issued national identity document</p> <p><input type="checkbox"/> NZ Refugee travel document</p>	<p><input type="checkbox"/> NZ Driver Licence</p> <p><b>and one of:</b></p> <p><input type="checkbox"/> A credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card)</p> <p><input type="checkbox"/> A bank account statement issued by a registered NZ bank addressed to the Relevant Person from the last 12 months</p> <p><input type="checkbox"/> A document issued by a NZ government agency containing the Relevant Person's name and signature (e.g. a SuperGold card)</p> <p><input type="checkbox"/> An IRD statement or other NZ government agency statement addressed to the Relevant Person from the last 12 months</p>	<p>One of the following forms of photo ID:</p> <p><input type="checkbox"/> NZ Driver Licence</p> <p><input type="checkbox"/> 18+ card (Hospitality Association)</p> <p><input type="checkbox"/> A valid International driving permit</p> <p><b>and one of:</b></p> <p><input type="checkbox"/> NZ full Birth Certificate</p> <p><input type="checkbox"/> Certificate of NZ Citizenship</p> <p><input type="checkbox"/> Citizenship Certificate issued by a foreign government</p> <p><input type="checkbox"/> Birth Certificate issued by a foreign government</p>

### Physical Address Verification Requirement

In addition to the above, each Relevant (Controlling) Person must supply a copy of one form of address verification documentation from the following list which cannot be more than **6 months old**:

- ☐ Utility bill (water, power, telephone, gas, sky or internet service provider)
- ☐ IRD tax assessment notice (New Zealand)
- ☐ Credit card/bank statements from an active account
- ☐ Government valuation of real properties (evidencing ownership) or rates notice
- ☐ Tenancy Agreement for a New Zealand address
- ☐ If you are a financial institution you will need to provide additional information. Please contact us

## CRS: Is the Trust a Reporting NZ Financial Institution?



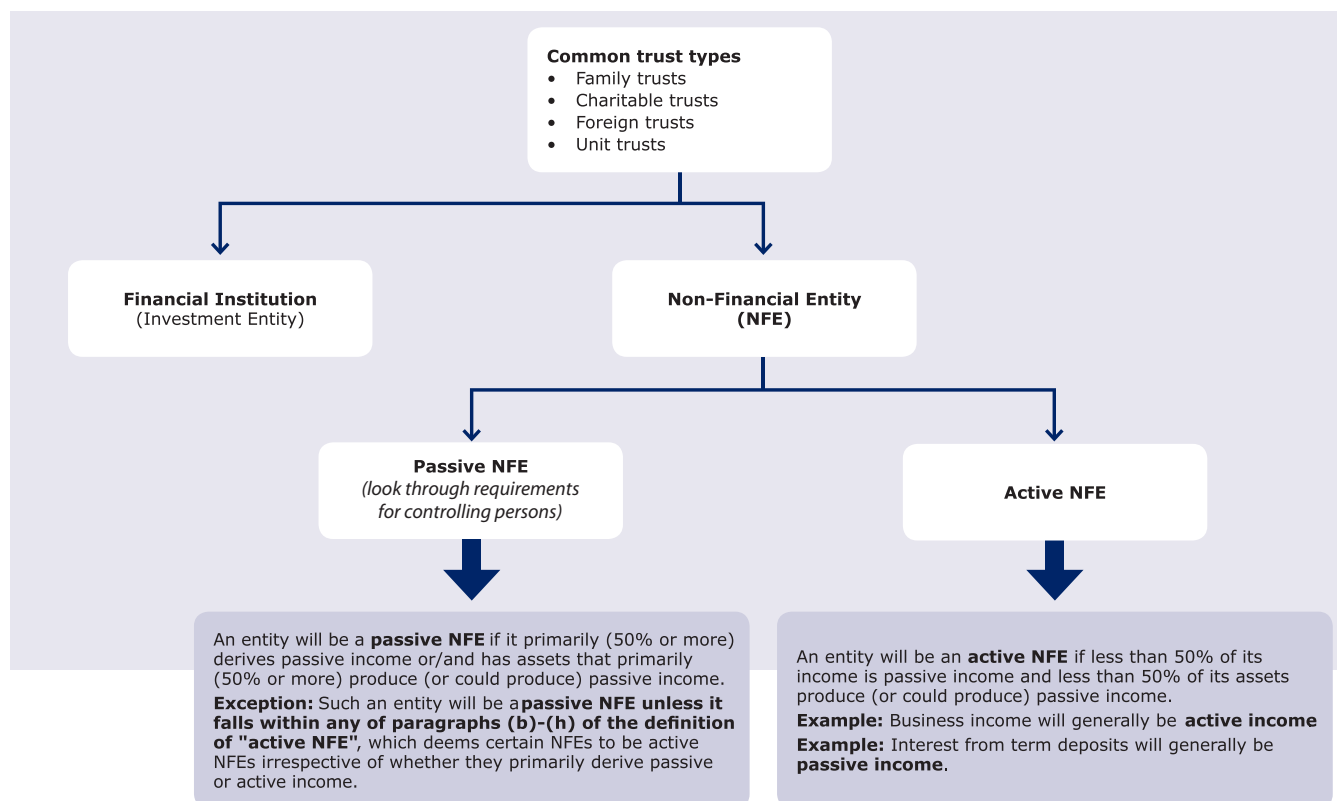
\*CRS "financial institution trust" residency rules apply to those financial institution trusts that are **not** unit trusts. Financial institution unit trusts will be NZ financial institutions **if** they are tax resident in New Zealand (excluding offshore branches) under the **company** tax residency rules set out in the Income Tax Acts.

#The specified period this applies for ie, for the shorter of the:

- three year period ending on 31 March of the period preceding the period in which the determination is made, or
- period during which the entity has been in existence.

## CLASSIFICATION OF TRUSTS

### CRS: Classification of Trusts



For further detail see sections 1.9, 5.5.2-5.5.3, 5.6.2-5.6.3 and Appendix 4 of the Inland Revenue CRS guidance for more information to determine if the Non-Financial Entity (NFE) is 'Passive' or 'Active'.

Where can I find further information and advice for Family trust obligations?

The Inland Revenue have published two guides to assist with understanding your family trust obligations.

CRS IR 1052 – Is the trust a Reporting NZFI under CRS?; and

CRS IR 1053 – Family trust obligations under the CRS

These are available on the Inland Revenue CRS website: <http://www.ird.govt.nz/international/exchange/crs/account-holders/>



## 8. GLOSSARY

Set out below is a general summary of the key terms in this application form. It is given to assist you with self-certification, but it does not give you legal or accounting advice. For a fuller explanation of terms used in self-certification see [www.ird.govt.nz/international/exchange/](http://www.ird.govt.nz/international/exchange/)

### Active Non-Financial Entity (NFE)

A NFE that, in the last financial year, had less than 50% of its assets held to produce Passive Income and less than 50% of its gross incomes from Passive Income. Certain charitable entities also qualify.

### AEOI

AEOI means automatic exchange of information exchanged under CRS

### Common Reporting Standards (CRS)

The CRS set out the OECD's international rules for collection and reporting of financial account information.

### Controlling Person

Controlling Person(s) means in respect of an entity:

- the natural person(s) who ultimately has a controlling ownership interest (generally more than 25%) in the entity;
- where no natural person(s) exercise control through ownership interest, the natural person(s) who exercise control of the entity through other means;
- where no natural person(s) who exercise control of the entity through other means, the natural person(s) who are senior managing official(s) of the entity.

For trusts, Controlling Persons means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership).

The settlor(s), trustee(s), protector(s) (if any), beneficiary(ies) or class(es) of beneficiaries must always be treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. A discretionary beneficiary (that does not otherwise control a trust) should be treated as a Controlling Person if they have received a distribution from the trust. A class beneficiary (that does not otherwise control a trust) should be treated as a Controlling Person if they have received a distribution from the trust or intends to exercise vested rights.

Where a person connected to the trust (for example, the settlor, trustee, protector (if any), beneficiary(ies)) is an entity then the Manager requires you to also identify who the Controlling Persons of that connected entity are. The Manager may be required to report them as Controlling Persons of the trust, as part of its obligations to Inland Revenue.

For legal arrangements similar to a trust, Controlling Persons means persons in equivalent or similar positions to persons connected to a trust.

For partnerships, the Controlling Persons are the partners. For incorporated societies and associations the Controlling Persons are generally the chair, treasurer and secretary. For Companies and for identity verification purposes, all directors' identities must be verified.

### Fiscally Transparent

Fiscally Transparent entities ("FTEs") are entities wherein the owners and investors are taxed for the income earned by entities and not the entities themselves. The income flows through to the investors and owners of the entities. These entities are considered as non-entities for tax purposes because all the burden of taxation is borne by its owners and investors. Common forms of FTEs are partnerships, limited partnerships and limited liability partnerships.

### Financial Assets

Generally covers all types of assets that can be held in an account (eg includes shares, units, bonds, swaps and money) other than physical commodities or non-debt direct interests in real property.

### Financial Institution

The term Financial Institution includes the following types of institutions:

- Investment Entity:
  - a) An entity that primarily engages in the business of trading or investing in financial instruments, managing portfolios or otherwise administering or managing Financial Assets or money on behalf of others; or
  - b) An entity whose gross income is primarily (at least 50%) attributable to investing or trading in financial assets, if the entity is managed by another Financial Institution
- Custodial Institution: Holds Financial Assets for the account of others as a substantial portion of its business
- Depository Institution: Accepts deposits in the ordinary course of a banking or similar business
- Specified insurance company

Examples include: banks, certain broker-dealers, custodial institutions, hedge funds, mutual funds, superannuation funds, private equity firms, collective or Managed Investment Entities, and certain brokers and trusts (including some managed family trusts).

For information on a managed investment entity in a Non-Participating Jurisdiction, please refer to [ird.govt.nz](http://ird.govt.nz) and search for 'CRS'.

**managed by a Financial Institution**

The entity (including a trust) allows another Financial Institution (that performs specified investment activities) to have discretionary authority to manage its assets (whether in whole or in part).

**Managed Investment Entity**

An entity will be a Managed Investment Entity if:

- It derives its income "primarily" (at least half of its gross income - 50% or more) over the specified period from investing, reinvesting or trading in financial assets; **and**
- It is managed by a financial institution (other than a managed investment entity)

**NFE (non-financial entity)**

An entity that is not a Financial Institution. NFEs are either 'passive' or 'active'.

**Non participating CRS country**

Jurisdictions that will not provide New Zealand with AEOI information.

**Participating CRS country**

Jurisdictions that New Zealand will receive AEOI information from.

**Passive Non-Financial Entity (NFE)**

An entity (which is not a Financial Institution) is considered a passive NFE if:

- more than 50% of its income is Passive Income; or
- more than 50% of its assets are those that generate passive income.

**Passive Income** includes dividends and interest, rent and royalties, capital gains/profits on the sale of assets/property that can produce passive income.

**Reportable Jurisdictions**

Jurisdictions that New Zealand will provide AEOI information to.

**Tax Identification Number (TIN)**

A Taxpayer Identification Number (TIN) is an identifying number issued to individuals, entities and organisations for tax purposes.

**Where can I find further information and advice?**

Further information can be found on the OECD Automatic Exchange of Information Portal and the IRD website. Please refer to the rules governing tax residence that have been published by each national tax authority.

NZ: <http://www.ird.govt.nz/international/exchange/crs/>

OECD: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/>

## 9. CHECK LIST

Please ensure the required documentation is provided for the relevant entity being established:

Trusts	<input type="checkbox"/> Please provide a certified copy of the trust deed including any amendments and trustee appointment documentation  <input type="checkbox"/> If trust is not a discretionary trust please provide description of class of beneficiaries or name(s) and D.O.B of beneficiaries: <input type="text"/> <input type="checkbox"/> Formal written source of funds and origination of wealth documentation provided  <input type="checkbox"/> Bank generated statement or deposit slip in the name of the trust (where a bank account has been established)  <input type="checkbox"/> All relevant Controlling Persons (trustees, appointors, settlors, beneficiaries (where applicable)) have completed section 5 and  <input type="checkbox"/> All Controlling Persons have either completed the Electronic Verification requirements of section 5 or provided certified identification and proof of address.
Estates	<input type="checkbox"/> Please provide a certified copy of probate or a certified copy of the death certificate and last will.  <input type="checkbox"/> Bank generated statement or deposit slip in the name of the estate (where a bank account in the estate's name has been established)  <input type="checkbox"/> All Controlling Persons (trustees, appointors, settlors, beneficiaries (where applicable)) have completed section 5 and either completed the Electronic Verification section or provided certified identification and proof of address
Partnerships	<input type="checkbox"/> Please provide a certified copy of the partnership agreement, where the partnership is a formal partnership  <input type="checkbox"/> Bank generated statement or deposit slip in the name of the partnership (where a bank account has been established)  <input type="checkbox"/> All Controlling Persons (partners) have completed section 5 and either completed the Electronic Verification section or provided certified identification and proof of address
Companies	<input type="checkbox"/> Please provide a certified copy of the certificate of incorporation.  <input type="checkbox"/> Bank generated statement or deposit slip in the name of the Company  <input type="checkbox"/> All Controlling Persons (directors and shareholders with a holding of 25% or more) and also all directors have completed section 5 and either completed the Electronic Verification section or provided certified identification and proof of address
Incorporated Societies	<input type="checkbox"/> Please provide a certified copy of the certificate of incorporation.  <input type="checkbox"/> Bank generated statement or deposit slip in the name of the Society (where a bank account has been established)  <input type="checkbox"/> All Controlling Persons have completed section 5 and either completed the Electronic Verification section or provided certified identification and proof of address
Charitable Trusts / Unincorporated Societies	<input type="checkbox"/> Please contact us to discuss specific documentation requirements

## 10. YOUR DISCLOSURES, ACKNOWLEDGEMENTS AND AGREEMENTS

### A. Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put First Mortgage Managers Limited (the "Manager" or "us") in breach of the AML/CFT.

You agree to provide all additional information and assistance requested by us and comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities; or
- the proceeds of any investment will fund any illegal activities.

The Manager cannot accept or process funds until such time as we have received all documentation required to satisfy our AML/CFT obligations. You agree that the Manager is not liable for any losses incurred as a result of any action we take or omit to take and which either delays your investment or results in an application being declined, when these actions or omissions are necessary for us to comply with our obligations under the AML/CFT.

### B. Privacy Act 2020

This privacy statement relates to personal information (as that term is used in the Privacy Act 2020) that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, to meet our obligations to identify you, to contact you in relation to your investment and to market other products and services to you.

You authorise us to disclose your personal information to the Manager's related entities, to any third parties, as may be needed to perform services by the Manager; to regulatory bodies or law enforcement agencies and to meet the Manager's legal or regulatory obligations. The Manager will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held by us about you. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about the Manager and other products and services, offered by the Manager.

### C. Tax Residency and Foreign Tax

- ☐ I/We declare that all the information supplied and all statements made in this application form are, to the best of my/our knowledge and belief, correct and complete. I/We understand that not giving information or giving false information could have serious consequences under New Zealand law.
- ☐ I/We authorise the Manager to make any enquiries it considers necessary for confirmation of the above.
- ☐ I/We declare that: the information contained in this application form and information regarding the Investor, any account(s) and any Controlling Person may be reported to the tax authorities of the country/ jurisdiction in which this account(s) is/are maintained and exchanged with tax authorities of another country/jurisdiction or countries/jurisdictions in which the Investor may be tax resident pursuant to intergovernmental agreements to exchange financial account information.
- ☐ I/We undertake to advise the Manager within 20 days of any change in circumstances which affects the tax residency status of the Investor or cause the information contained herein to become incorrect or incomplete (including any changes to the information on Controlling Persons identified in Section 5 such as (but not limited to), if the Investor is a Passive NFE trust, if a beneficiary has received a distribution from the trust or intends to exercise vested rights, and to provide the Manager a suitably updated self-certification and declaration and relevant documentation (as requested) within 20 days (or a lesser period as requested by the Manager) of such change in circumstances.
- ☐ I/We certify that all statements made in this declaration also extend to any information that I/we (or an authorised person on my/our behalf) may supply to the Manager, in whatever manner, subsequent to signing this form.
- ☐ I/We understand the Manager may need extra information from me about my tax residency status, and I/we will provide any extra information the Manager requests.

### D. Power of Attorney

If you are signing for the Investor under a power of attorney you have also attached:

- A certified copy of the power of attorney and completed the certificate of non-revocation; and
- Identification and verification of address of the attorney has been provided.

### E. Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

### F. Authority

Unless we hold written authority from all parties authorising a specific person(s) to act on behalf of the Investor, we shall require all parties to sign any withdrawal/variation requests.

### G. Electronic Verification - see 11. Declaration

## 11. DECLARATION

I/We have read and retained a copy of the attached Product Disclosure Statement for the First Mortgage PIE Trust. I/We agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, AML/CFT and Tax Residency acknowledgements. I/We understand that the value of our investment is liable to fluctuations and may rise and fall from time to time.

In addition, by signing this Application Form, companies, trusts and partnerships certify that:

- the trust/partnership/company has been duly established and is validly existing under the laws of New Zealand;
- the trust/partnership/company has not been terminated or liquidated and no event requiring the vesting of the trust's/partnership's/company's assets has occurred;
- the Controlling Persons are as shown on this application form; and
- this proposed investment will not cause any limitation on the powers of the trustees/partners/directors to be exceeded.

The Investor(s) appoint Public Trust as their agent for the purposes of making this investment and any subsequent investment.

**I/We understand that neither the Manager, Public Trust nor any other person guarantees the performance of the First Mortgage PIE Trust or the repayment of capital or any particular rate of return from the First Mortgage PIE Trust.**

**Signed for Investor (and Controlling Person) (attach additional pages if more signatures are required):**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

### Electronic Verification

- ☐ I/We agree that the Manager may electronically verify the identity of those person(s) that have elected in Section 5 to have their identity verified in this manner.
- ☐ I/We agree to the Manager using the personal information collected in this agreement and identity documents provided to electronically verify identity (this includes address verification). This includes disclosing your personal information to external agencies to match that information with your personal information held in the databases of such agencies.
- 

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Full Name*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Capacity*

### Electronic Verification

- ☐ I/We agree that the Manager may electronically verify the identity of those Controlling Person(s) that have elected at in Section 5 to have their identity verified in this manner.
- ☐ I/We agree to the Manager using the personal information collected in this agreement and identity documents provided to electronically verify identity (this includes address verification). This includes disclosing your personal information to external agencies to match that information with your personal information held in the databases of such agencies.

## PAYMENT METHOD

1. Please scan and email the application form to: team@fmt.co.nz
2. Once we have received the completed documentation, and completed your account opening process, we will provide our bank account details to enable you to transfer investment funds.

## ANNEXURE 1 - Certificate of Non-Revocation of Power of Attorney (Complete only if this application is being signed by attorney)

I/We \_\_\_\_\_

of (address and occupation of attorney(s)) \_\_\_\_\_

\_\_\_\_\_

### HEREBY CERTIFY THAT:

1. By power of attorney dated the \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(Name and occupation of person for whom attorney is signing)

("donor") appointed me his/her/its attorney on the terms and conditions set out in that power of attorney.

2. I/We have executed the application for units printed on the face of this form as attorney under that power of attorney and pursuant to the power thereby conferred upon me.
3. At the date of this certificate I have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the donor or otherwise.

Signed at \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Signature(s) of attorney(s) \_\_\_\_\_

## ANNEXURE 2 - Application Form Who is a Trusted Referee?

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth representative (as defined in the Oaths and Declarations Act 1957)
- An employee of the Police who holds the office of constable
- Justice of the peace
- Registered medical doctor
- Kaumātua
- Registered teacher
- Minister of religion
- Lawyer
- Notary public
- New Zealand Honorary consul
- Member of Parliament
- Chartered Accountant
- A person who has the legal authority to take statutory declarations or the equivalent in New Zealand

In addition, the trusted referee must **not be**:

- Related to the Investor; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the investor
- The spouse or partner of the Investor
- A person who lives at the same address as the Investor
- A person involved in the transaction or business requiring the certification

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the Investor.

The certification by the trusted referee must include the name, occupation, signature of the trusted referee and the date of certification.

**Certification must have been carried out in the three months preceding the presentation of the copied document, to the Manager.**

## ANNEXURE 3 - Taxation

The information in this section is intended as a general guide only. We recommend that investors seek professional tax advice regarding their individual circumstances, or to clarify any of the following, prior to investing. Neither the Trustee nor the Manager accepts any responsibility for the taxation consequences of an investor's investment in the Fund.

### Individual investors:

The First Mortgage PIE Trust ("Fund") will pay tax on an investor's investment in the Fund at the individual investor's notified rate as advised to the Manager (either 10.5%, 17.5% or 28%) meaning income earned from the Fund will be distributed to that investor tax paid. Tax paid by the Fund on behalf of individual investors is a final tax which means that there is no requirement for the individual to include this income in their own tax return, unless the individual's notified rate as advised to the Manager is lower than the prescribed investor rate ("PIR") that the individual is entitled to.

Individual investors are entitled to have their share of income from the Fund taxed at 10.5% or 17.5% if the following requirements are met:

<i><b>In either of the two tax years (ending 31 March) immediately before the tax year in question:</b></i>		
<i><b>Taxable income was:</b></i>	<i><b>And taxable income plus PIE income was:</b></i>	<i><b>Then the PIR rate that applies is</b></i>
<i><b>\$0 - \$14,000</b></i>	<i><b>\$0 - \$48,000</b></i>	<i><b>10.5%</b></i>
<i><b>\$0 - \$14,000</b></i>	<i><b>\$48,001 - \$70,000</b></i>	<i><b>17.5%</b></i>
<i><b>\$14,001 - \$48,000</b></i>	<i><b>\$0 - \$70,000</b></i>	<i><b>17.5%</b></i>



