

First Mortgage PIE Trust

2017 Annual Report



FIRST MORTGAGE TRUST
INVESTMENTS | PROPERTY FINANCE

First Mortgage Managers Limited presents this Annual Report to the investors of the First Mortgage PIE Trust for the year ended 31 March 2017 ("accounting period").

Details of the Scheme

The name of the scheme is First Mortgage PIE Trust ("Scheme"). It is a managed investment scheme under the Financial Markets Conduct Act ("FMC Act"). The manager of the Scheme is First Mortgage Managers Limited ("Manager"). The supervisor of the Scheme is Public Trust ("Supervisor").

The current Product Disclosure Statement for the Scheme was registered on 30 November 2016 and the Scheme's status is open for applications.

The latest fund update for the Scheme is dated 30 June 2017 and was made publicly available on 28 July 2017.

The Scheme's latest financial statements that comply with, and have been registered under, the FMC Act 2013, cover the accounting period and were authorised by the Manager on 13 June 2017.

The auditor's report on those financial statements was dated 13 June 2017 and lodged with the Registrar.

The auditor's report did not refer to any fundamental uncertainty, and nor was it qualified or modified in any respect.

Information on contributions and Scheme Participants

The number of managed investment products (being units in the Scheme) on issue at the start of the accounting period was 101,411,885.45.

The number of managed investment products (being units in the Scheme) on issue at the end of the accounting period was 156,305,674.44.

Changes relating to the Scheme

Material changes to the nature of the Scheme, the investment objectives and strategy, or the management of the Scheme during the accounting period are as follows:

Governing documents

There have been changes to the terms of governing documents of the Scheme during the accounting period. A deed of retirement and appointment of supervisor between the Supervisor, New Zealand Permanent Trustees Limited and the Manager dated 30 November 2016

The terms of offer of interest in the Scheme

There have been no material changes to the terms of offer of interests in the Scheme during the accounting period.

The investment objectives and policy of the Scheme's Funds (SIPO)

A SIPO was lodged on 30 November 2016. There have been material changes to the SIPO during the accounting period, this was changed to reflect the deed of retirement and appointment of supervisor between the Supervisor, New Zealand Permanent Trustees Limited and the Manager dated 30 November 2016 and a change in the underlying funds maximum benchmark asset allocation of residential mortgage lending from 50% to 75% of the underlying funds value.

Related party transactions

There have been no material changes to the nature or scale of related party transactions during the accounting period.



Other information for particular types of managed funds

The price for the units in the Scheme at the start and end of the accounting period was \$1.

Changes to persons involved in the Scheme

Manager

Anthony William Kinzett stepped down as a director of the Manager on 13 December 2016.

There were no changes to key personnel of the Manager during the accounting period.

Supervisor

There was a change in the supervisor during the accounting period.

On 30 November 2016 New Zealand Permanent Trustees Limited retired as the supervisor of the Scheme and Public Trust was appointed as supervisor of the Scheme.

There were no changes to the Supervisor's Board during the accounting period since their appointment.

Securities registrar, custodian, auditor

There was a change in custodian where New Zealand Permanent Trustees Limited was replaced by Public Trust as custodian during the accounting period, effective from 30 November 2016.

There have been no changes to the securities registrar or auditor.

How to find further information

Copies of documents relating to the Scheme, such as the Trust Deed, SIPO, Product Disclosure Statement and annual financial statements are available on the Disclose Register at www.companiesoffice.govt.nz/companies/disclose, scheme number SCH10249.

You may request, at any time, copies of the Trust Deed, SIPO, Product Disclosure Statement, most recent financial statements, and most recent annual report for the Scheme by contacting the Manager at:

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

Copies of the above documents will be provided free of charge (except for the Trust Deed, for which a reasonable fee may apply) 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 Disclose Register.



Contact details and complaints

Manager

First Mortgage Managers Limited
15 First Avenue
PO Box 13083
Tauranga 3141
Attention: Financial Controller
Telephone 0800 321 113

Supervisor

Public Trust
Level 9, 34 Shortland Street
Auckland 1010
Attention: Manager Client Services
Telephone 0800 371 471

How to complain

Complaints may be made to the Financial Controller (contact details above) of the Manager or the Supervisor.

The Manager and the Supervisor are members of Financial Services Complaints Limited ("FSCL") an approved dispute resolution scheme. If a complaint is not resolved within 40 days after contacting either the Manager or the Supervisor or if an investor is dissatisfied with the proposed resolution then the investor can refer it to FSCL at:

Financial Services Complaints Limited
101 Lambton Quay
PO Box 5967
Lambton Quay
Wellington 6145
Telephone: 0800 347 257

Full details on how to access the FSCL scheme can be obtained from its website www.fscl.org.nz. There is no cost to use the services of FSCL.



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