

First Mortgage PIE Trust

2021 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 2021 ("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 23 December 2020 and the Scheme's status is open for applications.

The latest fund update for the Scheme is dated 30 June 2021 and was made publicly available on 28 July 2021.

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 30 June 2021.

The auditor's report on those financial statements was dated 30 June 2021 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 304,913,252.25.

The number of managed investment products (being units in the Scheme) on issue at the end of the accounting period was 371,824,640.36.

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 were changes to the terms of governing documents of the Scheme during the accounting period. On 2 February 2021, the Trust Deed was amended to address the repeal of the Trustee Act 1956 and changes brought about under the Trusts Act 2019.

The terms of offer of interest in the Scheme

There was a material change to the terms of offer of interests in the Scheme during the accounting period.

The risk indicator for the Scheme, as published in the fund updates and the Product Disclosure Statement, was recalculated based on monthly returns data from the underlying fund rather than the distributions (issued quarterly) from the underlying fund. The change was applied retrospectively and resulted in lowering the volatility of the monthly returns and thus the risk indicator from 3 to 1.



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

An amended SIPO was lodged on 23 December 2020. There have been changes to the SIPO during the accounting period:

- The Manager changed the underlying funds Benchmark Asset Allocation for residential mortgage lending from a range of 10% to 80% of the underlying funds value, to a range of 40% to 80%.
- The Manager has also changed and redefined the underlying funds Benchmark Asset Allocation range for cash from 0% to 20% of the underlying funds value, to a range of 7.5% to 20% for cash, which is defined as cash held on-call or term deposits with a remaining term to maturity of three months or less, and an additional allocation of 0% to 20% of the underlying funds value for term deposits, which is defined as term deposits with a remaining term to maturity of greater than three months but less than twelve months.

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

There was a change to the directors of the Manager during the accounting period.

Peter Anthony Treacy stepped down as a director on 2 September 2020.

There were changes to key personnel of the Manager during the accounting period.

Geoffrey Allan Newland was appointed Head of Credit and Risk on 5 October 2020.

Paul Gregory Bendall was appointed General Manager on 17 August 2020.

Anthony William Kinzett announced his pending retirement as Chief Executive Officer on 31 March 2021 with his last day being 3 September 2021.

Paul Gregory Bendall was appointed as the new Chief Executive Officer and will commence in his new role on 1 September 2021.

Supervisor

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

Securities registrar, custodian, auditor

There have been no changes to the securities registrar, custodian 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 <https://www.disclose-register.companiesoffice.govt.nz>, 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
Private Bag 5902
Wellington 6140
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 6140
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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