Product Disclosure Statement

Offer of interests in First Mortgage Trust Group Investment Fund

Offered by First Mortgage Managers Limited

8 NOVEMBER 2024

This document replaces the Product Disclosure Statement dated 22 December 2022.

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 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 advice provider to help you to make an investment decision.

first mortgage trust

01. 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 Trust Group Investment Fund ("**Fund**")	
Brief description of the Fund and its investment objective	The Fund enters into loans backed by first mortgages over land and 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.	
Risk indicator	Potentially lower returns 1 2 3 4 Lower risk	Potentially higher returns 5 6 7 Higher risk
Fees for the Fund	**Fund charges**	Estimated at 1.65% per annum of the Fund value*
	Withdrawal fees (Individual action fees)	We reserve the right to charge a withdrawal fee of 2% of the amount withdrawn during the first year of investment in units and 1% of the amount withdrawn during the second year of investment in units*.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.

*Including GST (if any)

See Section 4 (What are the risks of investing?) on page 7 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 sorted.org.nz/tools/investor-profiler

Who manages the Fund?

First Mortgage Managers Limited is the manager of the Fund.

See Section 7 (Who is involved?) on page 10 of this document for more information about who is involved with the Fund.

What are the returns?

The Fund earns interest from loans made to borrowers and from bank deposits. Interest earned by the Fund (net of tax, fees, expenses and reserve fund contributions) is paid to investors as a distribution quarterly either in cash or by the issue of additional units. See Section 2 (How does this investment work?) on page 3 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?) on page 3 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 4). 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 3 for further details.

Your investment in the Fund cannot be sold or transferred to anyone else except in limited circumstances. See Section 2 (How does this investment work?) on page 3 for further details.

How will your investment be taxed?

The Fund is not a portfolio investment entity. See Section 6 (What taxes will you pay?) on page 10 for further information about how your investment will be taxed.

Where can you find more key information?

The Manager is required to publish quarterly updates for the Fund. The updates show the returns and the total fees actually charged to investors, during the previous year. The latest fund updates are available at fmt.co.nz/investor-centre. The Manager will also give you copies of those documents on request.

Contents

02. How does this investment work?

Significant features of the First Mortgage Trust Group Investment Fund

The Fund is a "group investment fund" and is established as a trust (created by Trustees Executors Limited under the Trustee Companies Act 1967). Trustees Executors Limited is the supervisor ("**Supervisor**") of the Fund, supervising the performance of our functions and obligations. The Supervisor is also responsible for holding the assets of the Fund 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 disclose-register.companiesoffice.govt.nz, using scheme number 10239.

We manage the Fund including deciding who to loan money to. We have been successfully managing investments for nearly 30 years.

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

The Fund invests in loans backed by first mortgages. To maintain liquidity the Fund also invests in on-call and term deposits with New Zealand registered banks.

Significant benefits

The main benefits of the Fund are (in summary):

- **Active management:** The Fund is actively managed by our experienced team.
- **Security:** Loans are secured by first mortgages with relatively conservative loan to valuation ratios.
- **Reserve fund:** The Fund 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).
- **No upfront fees:** There are no entry fees.
- **Marginal tax rates:** The Fund (as a group investment fund) deducts withholding tax from income at your elected marginal tax rate or a default rate if no election is made, or your IRD number is not provided.
- **Diversification:** Because the Fund is a pooled investment, investors' risk is spread across cash and the whole mortgage portfolio of the Fund which gives more diversified exposure to the property market than investing directly in a single property loan.
- **Regular income:** We distribute interest earned by the Fund (net of tax, fees, expenses and reserve fund contributions) quarterly and you have the option of reinvesting the distributions in units in the Fund.
- **Flexibility:** The flexibility to withdraw some or all of your investment at any time (withdrawal fees may apply for the two years after investing in specific units and we may suspend or defer withdrawals in some circumstances).

Value of units

The value of the units in the Fund is based on the market value of the Fund at the relevant time. The value of new units is based on the value of the Fund on the business day before your application for units is received. The value of the Fund is in summary, the value of deposits with banks and the market value of the loans, less the reserve fund value, and liabilities (including undistributed income). We aim to maintain the unit price at $1.00 on an ongoing 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.

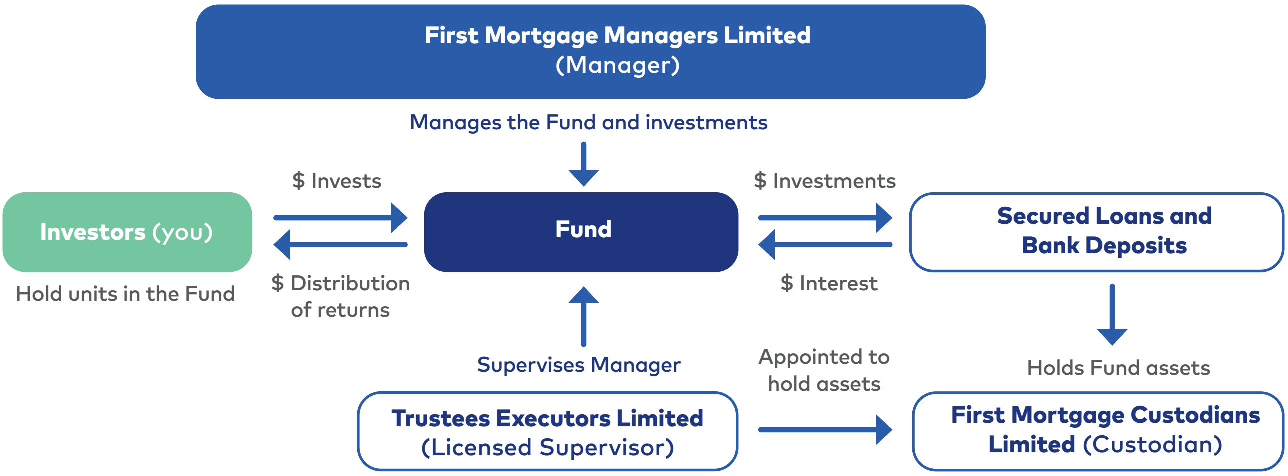
Reserve fund

The Fund 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 Fund 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 the unit price.

The reserve fund forms part of the Fund's retained earnings and is part of the assets of the Fund (the reserve fund is not held separately from the Fund's assets). The reserve fund value is excluded from the value of units. Incoming investors receive the benefit of the existing reserve fund protection against a fall in distributions or unit value, at no cost. However, while investors remain with the Fund, investment income will be withheld to support the protection provided by the reserve fund. Exiting investors forgo this withheld income upon withdrawal of units. You can find the value of the retained earnings in the most recent annual or six-monthly audited financial statements of the Fund (refer to the "Statement of Financial Position"), which are available on the Disclose Register at 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.

The Fund's parties

The following diagram shows how the Fund works and the relationship between the parties:



Distributions

Distributions (being the income earned on the Fund's investments after the payment of tax, fees, expenses and reserve fund contributions) 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 Fund (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 Fund.

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

Joining the Fund

You can join the Fund by completing an application form (see below - "**Making Investments**") available from our website (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

An investment in the Fund must be at least $500 on joining.

Subsequent investments in the Fund 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 Fund 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 Fund you must complete a Notice of Withdrawal (available from us). A Notice of Withdrawal 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 Fund, mean it is appropriate to suspend withdrawals.
- Defer withdrawals if a Notice of Withdrawal is, or a series of Notice of Withdrawals 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 Fund are not transferable without our prior written consent and then subject to such terms and conditions as we may in our discretion impose.

03. Description of your investment option

Name of Fund	First Mortgage Trust Group Investment Fund
Summary of investment objective and investment strategy	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 an annualised pre-tax return (after fees and expenses) per quarter of at least 1% per annum higher than the average of the 12-month term deposit rates offered by New Zealand's four main trading banks. The Fund invests in loans secured by mortgages over land (and buildings, if applicable). These must be first mortgages within defined loan-to-value ("LVR") ratios. The relevant value is based on existing valuations (for example, from a local authority, an iVal as supplied by Core Logic or Valocity Limited) or, for higher value lending for certain property types, a valuation prepared by a registered valuer. The Fund also invests in deposits with registered banks (registered under the Banking (Prudential Supervision) Act 1989). The Fund has a target investment mix (benchmark asset allocation) as follows: • Cash (on-call and term deposits with a remaining term to maturity of 3 months or less) – 5% to 20% of the value of the Fund's authorised investments; • Term deposits (with a remaining term to maturity of greater than 3 months but less than one year) - 2.5% to 10% of the value of the Fund's authorised investments; • Secured lending for which the principal mortgaged property is residential property - 40% to 75% of the value of the Fund's authorised investments; • Secured lending for which the principal mortgaged property is commercial property - 15% to 45% of the value of the Fund's authorised investments; and • Secured lending for which the principal mortgaged property is rural property – 0% to 20% of the value of the Fund's authorised investments. Please refer to the latest fund update for details of the actual investment mix.
Risk category	The Fund has a risk category of "1". See Section 1 (Key information summary) on page 1 of this document for the Fund's risk indicator and Section 4 (What are the risks of investing?) on page 7 of this document for information to assist with understanding the risk indicator.
Minimum suggested timeframe for holding the investment	2 years. This is because mortgage lending terms are generally 18 months to 2 years, so this timeframe is generally aligned with the Fund's underlying investments. Also, no withdrawal fees are payable on withdrawals after 2 years from investment in a unit.
Investment policies	Our lending policy is to establish and maintain a range of loans secured by first mortgages over residential, commercial and rural property. Loans are provided for a range of purposes including, but not limited to, buying or refinancing residential, commercial and rural property; providing working capital for business purposes and property development (land subdivision and construction of residential and commercial property). The loan portfolio is predominantly interest only, with a mix of interest rates and maturity dates. Borrowers pay interest monthly, although a portion of loans (including most development loans) can have interest capitalised (that is, added to the loan principal and paid at the end of the loan term). The loan portfolio is concentrated in the main urban centres with a particular emphasis in Auckland, Wellington, Canterbury, the Bay of Plenty, and Waikato. Please refer to the latest fund update for more details of the geographical spread and investment mix.

Investment policies *(continued)*

We may include other lenders in the Fund's loans to allow the Fund to meet the needs of a wider class of borrowers.

Where we involve other parties in the Fund's loans:

- This may be as part of syndicated loans where the Fund and the other lenders agree to both contribute to the loan; or
- We may invite other lenders to participate in a loan by providing additional funds to the Fund.

Under each of these structures:

- The loans are secured by first ranking mortgages, either directly or through a security agent or security trustee on behalf of the lenders;
- We agree with other lenders how the Fund's rights are exercised under the loan and security documentation;
- We do not enter into arrangements where a co-lender is repaid in priority to the Fund; and
- We only enter loans with other lenders who have satisfied our due diligence requirements.

Because we may not control enforcement decisions alone in these structures, enforcement may be delayed or may not occur in the way we may have managed enforcement if the Fund was the sole lender.

Our policy for investing in deposits with registered banks is to have a mixture of on-call deposits and term deposits (with maturities of up to 24 months).

The Fund has lending limits, based on the amount of the loan when compared with the value of the mortgage security property (LVR) at the time of loan approval, as follows:

Residential Mortgages	Commercial Mortgages	Rural Mortgages
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 66.7% 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

Changes to investment policy

The Fund's statement of investment policies and objectives ("**SIPO**") may only be amended by agreement between the Manager and the Supervisor. Investors will be notified before any change takes effect, unless the Manager and Supervisor agree the change is not material. Regardless, details will be available at disclose-register.companiesoffice.govt.nz

Further information about the assets in the fund can be found in the fund updates at fmt.co.nz/investor-centre

04. 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 Fund.

← 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 sorted.org.nz/tools/investor-profiler

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 2024. 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

Credit Risk is the risk that a borrower is unable to make required payments when they become due. A borrower 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. Systemic risk from a sharp rise in interest rates, or a deep recession, could result in multiple borrowers defaulting at the same time. We mitigate credit risk by lending only if first mortgages are provided as security, by operating within approved LVR ratios and by off-setting losses, if any, 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

Market Risk is the risk that external forces (economic conditions, political events, natural disasters, etc.) have a detrimental impact on borrowers and that affects their ability to meet their obligation under their loan terms.

Market changes may result in an increased number of defaults by borrowers, and may cause a drop in the value of residential, commercial and rural property provided as security for loans, and may affect returns from bank deposits. In general, the stronger the economy the lower the 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, 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.

The Manager mitigates market risk by adhering to the investment objectives and implementing investment policies aimed at diversifying the secured loan portfolio, limiting exposure to particular parts of the market and limiting the LVR ratio to acceptable levels.

Development lending risk

Development Lending Risk is the risk that a borrower is unable to make required payments as they become due as a result of failure to complete the development project.

Development lending risks can arise because of project delays such as delays in construction or obtaining consents and titles, increases in construction cost and can also relate to the failure of the developer undertaking the development. The Fund typically lends on developments involved in residential subdivisions or the construction of residential dwellings or commercial buildings. The Manager mitigates against development lending risk in a number of ways, including by:

- lending to developers with appropriate experience;
- ensuring that there is appropriate allowance for unexpected additional costs and time delays within the loan facility;
- structuring the loan with development specific conditions – these may include progressive drawdowns of the loan on reaching milestones and/or assessed against the value of completed work, regular site inspections, requiring pre-sales and prospective tenant evaluations; and
- appointing an independent quantity surveyor to report and monitor property developments, where this is considered appropriate.

Interest rate risk

Interest Rate Risk is the risk that fluctuations in interest rates have a detrimental impact on the loans in the secured loan portfolio and result in lower returns to investors.

The market demand for loans secured by first mortgages 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 Fund will likewise decrease. Conversely, if interest rates increase, returns for the Fund will increase.

Active management risk

Active Management Risk arises from the Manager's active management of investments made by the Fund. The Manager may make poor lending decisions, increasing the risk of default.

The Manager mitigates against this risk by employing skilled property lending experts, experienced mortgage lenders, credit specialists and relationship managers. The Manager has also implemented investment policies aimed at diversifying the secured loan portfolio of the Fund, limiting exposure to parts of the market and limiting the LVR to acceptable levels.

Other specific risks

Liquidity

There is a risk that the Fund will not have sufficient liquid assets to meet withdrawal requests. A significant proportion of the Fund's investments are in relatively illiquid secured loans and a proportion of the loan book has interest capitalising (that is, only paid at the end of the loan term and so is not received in cash on a monthly basis).

The Manager may need to defer or suspend withdrawals if there are insufficient liquid assets to meet withdrawal requests. To mitigate this risk, we maintain at least 5% of the value of the Fund's authorised investments in liquid investments (on-call and term deposits with a remaining term to maturity of 3 months or less).

Please refer to the latest fund update for more details of cash and short-term deposits held.

Key person risk

The Manager's Credit Risk team overseeing lending options 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 Credit Risk team. It is possible that one or more members of the Credit Risk team may resign from their role. If this were to occur, this could have an adverse effect on performance. We mitigate this risk by ensuring there are alternatives who could be appointed by the Manager's Assets and Liabilities Committee.

Operational risk

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

Inflation risk

Inflation reduces the real value of all investments. If you invest long-term in a fund like the Fund, which holds relatively conservative investments, you take a risk that the value of the investments will not keep up with inflation.

05. What are the fees?

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns. 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).

Total Estimated Annual Fund Charge	1.65%
The Total Estimated Annual Fund Charge is comprised of the following fees:	
Manager's basic fee	1.52%
Supervisor's fee	0.05%
Administrative charges	0.08%

All fees are shown as a percentage of the net asset value of the Fund and are inclusive of GST, where applicable.

The Manager's fee covers management services and is calculated daily and paid monthly in arrears out of the Fund's assets. The Supervisor's fee is the estimated fee for supervision, trustee and custodial services and is calculated daily and paid monthly or quarterly in arrears (as agreed between the Manager and the Supervisor from time to time) out of the Fund's assets.

Administrative charges are the estimated annual expenses of the Fund 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 the Manager for overall recovery costs. These amounts are deducted from the Fund's assets.

There are no performance-based fees in relation to the Fund.

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. 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. There is no withdrawal fee for investors who withdraw after their second year of investment in units.

Example of how fees apply to an investor

Tom invests $10,000 in the First Mortgage Trust Group Investment Fund.

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

He is charged management and administration fees which work out to about $165 (1.65% 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:	$165

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 by agreement between the Supervisor and the Manager. The value of the withdrawal fees that we can charge (at our discretion) investors during the first two years of investment can only be changed by amendment of the trust deed establishing the Fund.

The Manager 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 fmt.co.nz/investor-centre

06. What taxes will you pay?

Tax can have significant consequences for investments. If an investor has queries relating to the tax consequences of the investment, the investor should obtain professional advice on those consequences.

The Fund is a designated group investment fund established under the Trustee Companies Act 1967. For New Zealand tax purposes the Fund is treated as a complying trust and income distributed to investors is treated for tax purposes as beneficiary income, taxed at the beneficiary's marginal tax rate.

Individual investors can, as at the date of this document, elect to have resident withholding tax (RWT) deducted from interest distributed by the Fund at a rate of 10.5%, 17.5%, 30%, 33% or 39% if an IRD number is supplied. The default RWT rate will be 33% if an IRD number is supplied but no election made. The same rates will apply for trust investors. However, the 10.5% rate can only be applied to testamentary trusts. Where no IRD number is supplied RWT is deducted at a rate of 45%.

If an investor in the Fund is required to file an annual income tax return, a credit can be claimed for RWT withheld by the Fund.

Companies investing in the Fund can elect to have RWT deducted from interest distributions from the Fund at a rate of 28%, 33% or 39% if an IRD number is supplied. The default RWT rate will be 28% if an IRD number is supplied but no election made. Where no IRD number is supplied RWT is deducted at a rate of 45%.

Investors who notify us of their withholding tax exemption will receive interest distributions from the Fund with no tax deducted. Non-residents will have non-resident withholding tax deducted from any interest distributions from the Fund at the rate applicable to their country of residence.

07. Who is involved?

About the Manager

The manager of the Fund 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:	team@fmt.co.nz

The sole business of the Manager is to act as manager of the Fund and also to act as manager of associated managed investment schemes, the First Mortgage PIE Trust and First Mortgage Trust Wholesale Fund. The First Mortgage PIE Trust and First Mortgage Trust Wholesale Fund invest solely in the Fund (except for a small amount of cash which may be held by those funds for transactional purposes, and cash as required for the payment of PIE tax).

The Manager was established in early 1996 with the 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 has built a niche market focused on its ability to remain flexible within its lending criteria. This flexibility has enabled us to make first mortgage loan advances to a wide range of borrowers.

The Manager is a climate reporting entity under Part 7A of the Financial Markets Conduct Act 2013. We are required to make annual disclosures called "climate statements" for the Fund covering governance arrangements, strategy, risk management, and metrics and targets for mitigating and adapting to climate-related impacts. The annual climate statements for the Fund are on the Climate-related Disclosures Register, which can be accessed at https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/ and our website fmt.co.nz.

Who else is involved?

	Name	Role
Supervisor, Custodian and Trustee	Trustees Executors Limited	Trustee of the Fund and acts on behalf of investors to supervise the Manager's compliance with its obligations.
Custodial Nominee	First Mortgage Custodians Limited	The Supervisor is the Custodian and its nominee company holds the Fund's assets separate from the Manager, on behalf of the Custodian.

08. How to complain

If you have any issues or concerns regarding your investment in the Fund 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
PO Box 13083
Tauranga 3141

Telephone: 07 578 0754
Freephone: 0800 321 113
Email: complaints@fmt.co.nz

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

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

The Supervisor

Trustees Executors Complaints Register
Level 9, Spark Central,
42-52 Willis Street,
Wellington, 6011

Telephone: 0800 878 783
Email: complaints@trustees.co.nz
Attention: Client Manager - Trustees Corporate Supervision

The Manager and the Supervisor are members of Financial Services Complaints Limited ("**FSCL**") a Financial Ombudsman Service.

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
101 Lambton Quay
PO Box 5967
Lambton Quay
Wellington 6140

Freephone: 0800 347 257
Wellington: 04 472 FSCL (472 3725)
International: +64 4 472 3725

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 fma.govt.nz

09. Where you can find more information

Further information relating to the Fund 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 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 Fund, and fund updates by contacting the Manager at:

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

Telephone: 07 578 0754
Email: team@fmt.co.nz
Freephone: 0800 321 113

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 and the scheme register.

10. How to apply

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

First Mortgage Managers Limited
PO Box 13083
Tauranga 3141

On receipt of the completed documents, the Manager will contact you and advise you of the Fund'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

first mortgage trust

Find out more

0800 321 113

fmt.co.nz