

Fund Update

Quarter ending 30 June 2024

First made publicly available on 26 July 2024



Fund name
First Mortgage PIE Trust

Registered scheme
First Mortgage PIE Trust

What is the purpose of this update?

This document tells you how the First Mortgage PIE Trust ("PIE Trust") has performed and what fees were charged. The document will help you to compare the fund with other funds. First Mortgage Managers Limited ("Manager") prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

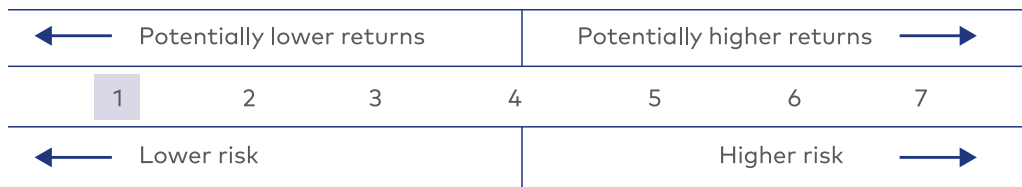
The PIE Trust invests in a pooled investment vehicle called the First Mortgage Trust Group Investment Fund ("FMT GIF") which invests in a portfolio of loans secured by registered first mortgages over land and buildings in New Zealand and bank deposits. The investment objective is to provide investors with an income return at a level better than bank deposits and competitive with comparable investment products.

Total value of the fund	\$677,563,185
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The date the Fund started	1 January 2008
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What are the risks of investing?

Risk indicator for the PIE Trust.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the PIE Trust'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 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 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 June 2024. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	4.07%	5.35%
Annual return (after deductions for charges but before tax)	5.69%	7.48%

There is no appropriate comparative market index and no suitable comparable peer group index for the PIE Trust against which to assess either movements in the market in relation to the returns from the assets in which the PIE Trust invests or the performance of the PIE Trust as a whole. For further information see the document entitled "No Market or Peer Group Indices" available on the offer register at www.disclose-register.companiesoffice.govt.nz

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 June 2024. Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the PIE Trust are charged fund charges. In the year to 31 March 2024 these were:

	% of net asset value
(A) Total Fund charges = B + C Which are made up of -	1.66%
(B) Total management and administration charges = E + F Including-	1.66%
(E) Manager's basic fee	1.53%
(F) Other management and administration charges	0.13%
(C) Total performance-based fees	Nil
(D) Other Charges	Nil

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). The above fees are inclusive of GST and represent the actual fees charged for the year. This differs from the PDS which shows the estimated annual fees. See the PDS for more information about those fees.

Example of how this applies to an investor.

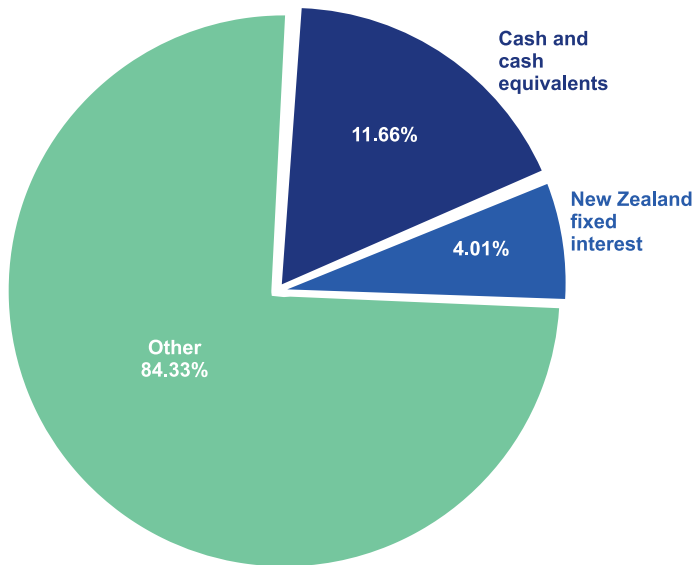
Small differences in fees and charges can have a big impact on your investment over the long term.

Jane had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Jane received a return after fund charges were deducted, but before tax, of \$748 (that is 7.48% of her initial \$10,000). This gives Jane a total return after tax of \$535 for the year.

What does the fund invest in?

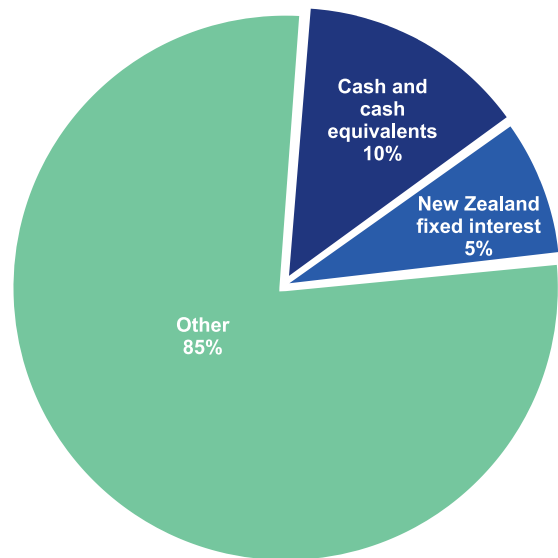
Actual investment mix

The PIE Trust invests solely in FMT GIF and this shows the types of assets that the FMT GIF invests in.



Target investment mix

This shows the mix of assets that the FMT GIF generally intends to invest in.



Cash and cash equivalents are cash held on-call or term deposits with a remaining term to maturity of three months or less.

New Zealand fixed interest are term deposits with a remaining term to maturity of greater than three months but less than twelve months.

Other assets are loans secured by registered first mortgages over land and buildings in New Zealand.

Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1 ANZ Bank - Call 71	7.96%	Cash and cash equivalents	New Zealand	AA-
2 Loan secured over residential property in Auckland	2.60%	Other	New Zealand	Unrated
3 Loan secured over commercial property in Auckland	2.53%	Other	New Zealand	Unrated
4 Loan secured over rural property in Bay of Plenty	2.15%	Other	New Zealand	Unrated
5 Loan secured over commercial property in Auckland	1.37%	Other	New Zealand	Unrated
6 Loan secured over commercial property in Wellington	1.30%	Other	New Zealand	Unrated
7 Loan secured over commercial property in Auckland	1.24%	Other	New Zealand	Unrated
8 Loan secured over commercial property in Auckland	1.20%	Other	New Zealand	Unrated
9 BNZ - Call a/c	1.18%	Cash and cash equivalents	New Zealand	AA-
10 ASB Bank - Call a/c	1.18%	Cash and cash equivalents	New Zealand	AA-

The total value of the 10 individual assets as a percentage of the net asset value of the FMT GIF is 22.71%.

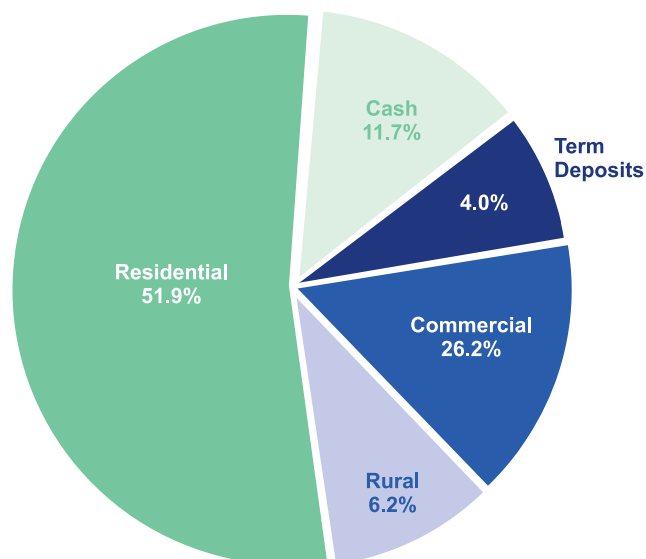
Key personnel

Name	Current position	Time in current position	Previous position	Time in previous position
1 Paul Bendall	Chief Executive Officer	2 years and 10 months	General Manager, First Mortgage Managers Ltd	1 year and 0 months
2 Andrew Western	Chief Financial Officer	0 years and 5 months	Financial Controller, ASB Group	7 years and 3 months
3 Sam Burgess	Chief Investment Officer	0 years and 1 month	Head of Lending, First Mortgage Managers Ltd	2 years and 1 month
4 Geoff Newland	Head of Credit and Risk	3 years and 9 months	Head of Property Credit, BNZ	15 years and 1 month
5 Michael Smith	Director (Assets and Liabilities Committee)	9 years and 9 months	Current position: Director, Craigs Investment Partners Superannuation Management Limited	13 years and 6 months

Additional information*

Actual investment mix with secured property proportions

This shows the types of assets the FMT GIF invests in, where secured loan asset types (residential, commercial, and rural) are shown as a percentage of total assets of the FMT GIF



Asset types:

Residential - secured loans for which the principal secured property is residential property

Commercial - secured loans for which the principal secured property is commercial property

Rural - secured loans for which the principal secured property is rural property

Cash - cash held on-call or term deposits with a remaining term to maturity of three months or less.

Term deposits - term deposits with a remaining term to maturity of greater than three months but less than twelve months.

* The Manager has prepared this additional information in accordance with the Financial Markets Conduct (Managed Funds - Loan Disclosure Requirements) Exemption Notice 2019.

Composition of secured loans

This table shows the composition of the secured loans expressed as a percentage of total loans of the FMT GIF according to each geographical region, and within each geographical region, shows of the proportion of secured loans according to asset types.

List of regions		Percentage by geographic region	Proportion by asset type: Residential	Proportion by asset type: Commercial	Proportion by asset type: Rural
1	Northland	0.15%	0.08%	0.04%	0.03%
2	Auckland	57.88%	38.74%	17.28%	1.86%
3	Waikato	5.89%	3.43%	1.57%	0.89%
4	Bay of Plenty	7.83%	3.67%	0.90%	3.26%
5	Gisborne	0.00%	0.00%	0.00%	0.00%
6	Hawke's Bay	0.32%	0.24%	0.07%	0.01%
7	Taranaki	0.15%	0.13%	0.02%	0.00%
8	Manawatū -Whanganui	0.72%	0.28%	0.35%	0.09%
9	Wellington	12.04%	4.47%	7.26%	0.31%
10	Tasman	0.00%	0.00%	0.00%	0.00%
11	Nelson	0.94%	0.94%	0.00%	0.00%
12	Marlborough	0.08%	0.08%	0.00%	0.00%
13	West Coast	0.00%	0.00%	0.00%	0.00%
14	Canterbury	9.02%	5.06%	3.20%	0.76%
15	Otago	4.76%	4.22%	0.34%	0.20%
16	Southland	0.22%	0.17%	0.05%	0.00%

There was one impaired secured loan at the time this fund update was prepared. The below table shows the composition of the impaired secured loan expressed as a percentage of the total loans according to each geographical region and, within each geographical region, shows the proportion of the impaired secured loan according to asset type.

Region	Percentage by geographic region	Proportion by asset type: Residential	Proportion by asset type: Commercial	Proportion by asset type: Rural
Hawke's Bay	0.20%	0.20%	0.00%	0.00%

Secured loans are allocated an asset type based on the zoning of the principal secured property (by value) that is set in the local council's district plan.

Maximum loan to value ratios for each type of secured loan

Loans secured (or principally secured) by mortgage over residential property	Loans secured (or principally secured) by mortgage over commercial property	Loans secured (or principally secured) by mortgage over rural property
Fee simple land and buildings: up to 75% LVR		Fee simple land and buildings: up to 60% LVR
Land with power, water, sewage and associated services ("Services") completed: up to 70% LVR	Fee simple land and buildings: up to 66.7% LVR	Land used for dairy farming (fee simple): up to 66.67% LVR
Leasehold land: up to 50% LVR	Leasehold land: up to 50% LVR	Leasehold land: 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

Note: LVR means loan-to-value ratio. LVR shows the amount of a loan as a percentage of the value of the property that secures the loan. The lower the LVR, the lower the amount of the loan relative to the value of the secured property.

Further information

You can also obtain this information, the PDS for the PIE Trust and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz>

