

# A Guide to Investing with First Mortgage Trust (FMT)

▶▶ For nearly  
30 years we've  
been helping  
New Zealanders  
grow their wealth.



**fmt**   
first mortgage trust

▶▶ Discover how First Mortgage Trust  
can help you on your investment journey

## Invested in New Zealand since 1996

We're an investment manager that specialises in property lending, and we've been protecting and growing kiwi nest eggs for nearly 30 years.

We are in this position because of our focus on understanding the needs and expectations of investors and borrowers alike.

For investors, this means taking care of and protecting your investment, while delivering consistent returns and allowing easy access to your funds. For borrowers it means offering a pragmatic approach to lending, with a focus on service and flexibility.

As a leader in our sector, we are proud of what we've achieved for our investors over many years of service and are delighted to be able to help protect and grow wealth for New Zealanders.

Alongside this, we are equally as proud of the personable customer service we provide and the priority we give it. At FMT, we can say with confidence that our team is only ever a phone call away.

In reading this, I hope that you get a feeling for who we are, what we stand for, and what we offer. In short, we are here to help protect and grow your wealth, with great customer service at the heart of what we do.



**Paul Bendall**  
CEO



# Why invest with FMT?

We offer our investors consistent returns, and our investment strategy and active fund management helps provide our investors with peace of mind investing.

We have a focus on strong governance. Our people and board are specialists with a wealth of experience and knowledge.

## ▶ Proven consistent returns

Our conservative approach to lending means we've been able to provide investors with consistent returns for nearly 30 years. Since inception we have never missed a distribution to our investors, including during the Global Financial Crisis and more recently through the Covid-19 pandemic.

## ▶ Regular income

Every quarter, we distribute returns into your bank account, or you can choose to have them reinvested back into your investment. You tell us your preference, and we do the rest.

## ▶ Diversified, mortgage-backed investment

Our funds are backed by first mortgages over land and buildings with relatively conservative loan to valuation ratios (LVR) across diversified property sectors and assets and spread across New Zealand.

Property-based securities traditionally provide some of the least volatile investments.

## ▶ Accessibility

At First Mortgage Trust your investment is not made for any fixed term (although we do encourage you to invest for a minimum of 2 years, and we reserve the right to charge withdrawal fees in the first two years).

## ▶ Flexibility

You can start with a minimum of \$500 and after that you can make further contributions at any time that suits you (minimum \$100 additional investment).

## ▶ Please note, past performance is not a reliable indicator of future performance.

We've never lost a cent of investor capital.



# Benefits of our investment model



FMT is a mortgage trust. Mortgage trusts (or mortgage funds) are one of the oldest examples of a collective investment scheme.

## ► Spread of risk

By pooling your funds with other investors, your investment is consolidated and spread across cash and the whole mortgage portfolio which gives more diversified exposure to the property market than investing directly in a single property loan or specific industry. All FMT loans are secured by first mortgages with relatively conservative loan to value ratios.

Risk is also mitigated by diversification of first mortgage investments across various property types and locations throughout New Zealand. This geographical spread helps to level out any local economic factors, and it ensures we have a good cross-section of property types in our portfolio.

In addition, we always hold cash investments (liquidity) with New Zealand banks to help ensure cash is available to repay investors when needed.

## ► Independent oversight

Investments in the First Mortgage Trust Group Investment Fund are monitored by New Zealand's oldest independent trustee company, Trustees Executors Ltd, acting under a Trust Deed.

## ► Reserve fund

Although our conservative lending policies are consistently and rigorously maintained, we have a reserve fund to help meet possible losses on individual loans.

A small part of the First Mortgage Trust Group Investment Fund's income (0.175% p.a. of the fund's value) is set aside each quarter and accumulated within the reserve fund. This fund helps provide additional peace of mind for investors but does not guarantee returns, or that unit value will not fall.

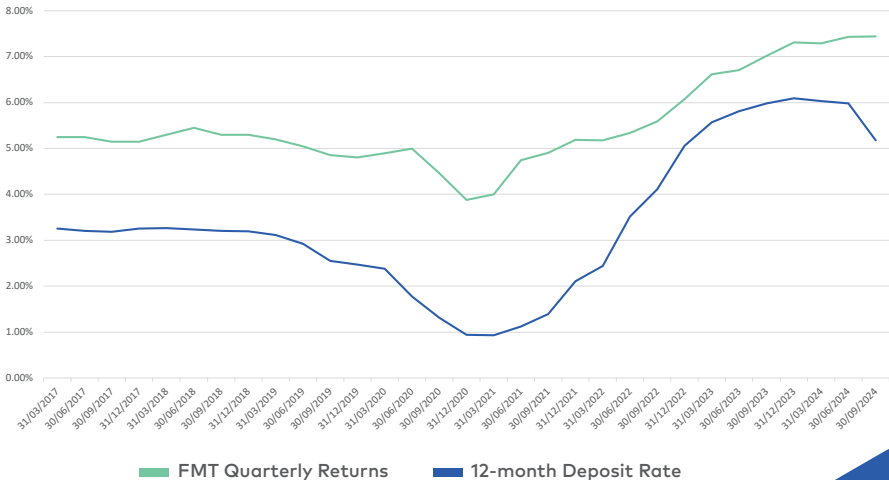
# Our Investment Objective

Our formal investment objective is to provide an income return at a level better than bank deposits.

While it cannot be assured, our goal is to give investors an annualised pre-tax quarterly return (after fees and expenses) 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, and competitive with comparable investments.

## FMT Returns vs Bank Term Deposits

This graph shows the historical annualised pre-tax (after fees & expenses) quarterly distribution rates for the First Mortgage Trust Group Investment Fund versus the average 12-month bank term deposit rate since 2017.



Term deposit data from the Reserve Bank of New Zealand

Data as at 30 September 2024. Returns are subject to change over time and not guaranteed. Past performance is not a reliable indicator of future performance.



Many of our investors compare what we offer to a bank term deposit, even though they are quite different products. To learn more about the differences search "term deposits" on our website.



## Investment options to suit

We have three managed fund options available to investors.

### First Mortgage Trust Group Investment Fund (GIF)

Invests into loans backed by first mortgages over land & buildings, as well as cash at registered banks.

**Minimum Investment:** \$500

**Investment Term:** On Call

### First Mortgage PIE Trust

Invests into the GIF, as well as cash at registered banks. PIE trusts offer a tax advantage for some investors.

**Minimum Investment:** \$500

**Investment Term:** On Call

### First Mortgage Trust Wholesale Fund

Only for wholesale investors. Invests into the GIF and provides bonus returns.

**Minimum Investment:** \$500,000

**Investment Term:** 2 years

"They make me feel very comfortable and at ease."

FMT client

## Fees

Our advertised returns are always pre-tax & after fees and expenses have been deducted. Each fund currently has estimated annual fund charges of 1.7%

We do reserve the right to charge early withdrawal fees in the first two years; otherwise, there are no hidden costs, joining fees or other unexpected charges.



## Managing Your Cash in Retirement

Our retired investors told us they wanted a service where they could access their funds on a regular basis. We created the Managing Your Cash in Retirement facility to allow them to set up regular monthly withdrawals from their investment, without compromising the return they're receiving.

People want consistent returns from their investments, they don't want their money locked away and out of reach. If our investors need regular top-ups to help meet their living expenses, or a withdrawal for a big ticket item, we want to help facilitate that.



Visit our website and search "retirement calculator" to use our online calculator to see how this facility could work for you.

"We also pride ourselves on our great customer service. Our investors have told us that they love our personal service – this will never change."

Paul Bendall, CEO



## Start investing with FMT

To start investing with FMT contact our team, or you can download a Product Disclosure Statement from our website and complete the application form in the back section of the document.





Start investing with  
First Mortgage Trust

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