



Annualised pre-tax return for the quarter ending 31 March 2026

5.32 % p.a. Group Investment Fund and PIE Fund

Past returns are not a reliable indicator of future performance.

Our pre-tax annualised returns for the quarter ending 31 March 2026 are 5.32%. This reflects softer economic conditions lingering longer than expected, which meant that lending volumes remained subdued.

More recently, however, we have seen a noticeable increase in quality lending opportunities. We have seen a 60% increase in our lending pipeline quarter on quarter, and our loan numbers have also started increasing, which is encouraging. We are, however, very mindful of the current global environment and the impact this is having both internationally and in New Zealand.

Periods like this can create uncertainty, which can be unsettling for investors. They also highlight the differences between asset classes. Sharemarkets tend to react quickly to geopolitical events, often resulting in volatility. By contrast, our property-backed lending model is generally less exposed to these movements. While other investments may experience sharper swings, our returns tend to remain more consistent, helping provide peace of mind.

Control, discipline, and track record

While we continue to monitor global developments closely, our focus remains on what we can control, the fundamentals that have guided FMT through many market cycles: disciplined lending, careful risk management, and maintaining strong liquidity.

Since we opened our doors in 1996, we have operated through numerous global and local disruptions. This experience reinforces the importance of staying disciplined and focused on fundamentals. We continue to closely monitor our loan book, looking for early signs of stress and ensuring loans are priced appropriately for the current environment.

We are maintaining strong cash reserves, and our loan book continues to perform at a high level, leaving us well positioned to navigate current conditions.

Strengthening lending capability

Over the last six months, we have been focused on strengthening our lending capability and improving internal workflows to make it easier for borrowers to work with us.

We know that speed and clear communication are critical when seeking finance. We have introduced new processes and technology that enable us to respond more quickly and serve borrowers more effectively. We have also expanded our lending team to support growth. Encouragingly, we are now seeing results from this work.

Liquidity levels

As noted earlier, we have been holding higher levels of cash than usual. While this may reduce returns in the short term, it is a deliberate and conservative decision that positions us well to support new lending and protect investor capital. With improved lending activity, we expect liquidity levels to gradually reduce as funds are committed to new loans.

30 years of FMT

This year, we celebrate 30 years of FMT.

Experience matters in uncertain environments. Having operated through multiple market cycles, we understand the importance of discipline, a focus on fundamentals, and maintaining a long-term perspective.

We are proud to be a New Zealand business built on long-term relationships and a genuine people-first approach. This milestone reflects the trust our investors have placed in us over many years.

Markets change, but our approach does not. Protecting investor capital while delivering consistent long-term returns remains at the centre of everything we do. While we are disappointed not to have delivered a higher return this quarter, we are encouraged by the strengthening lending pipeline and improving market activity.

Although global conditions remain uncertain, our priorities are clear: disciplined lending, careful risk management, protecting investor capital and delivering consistent returns.

Thank you for your continued trust and support.

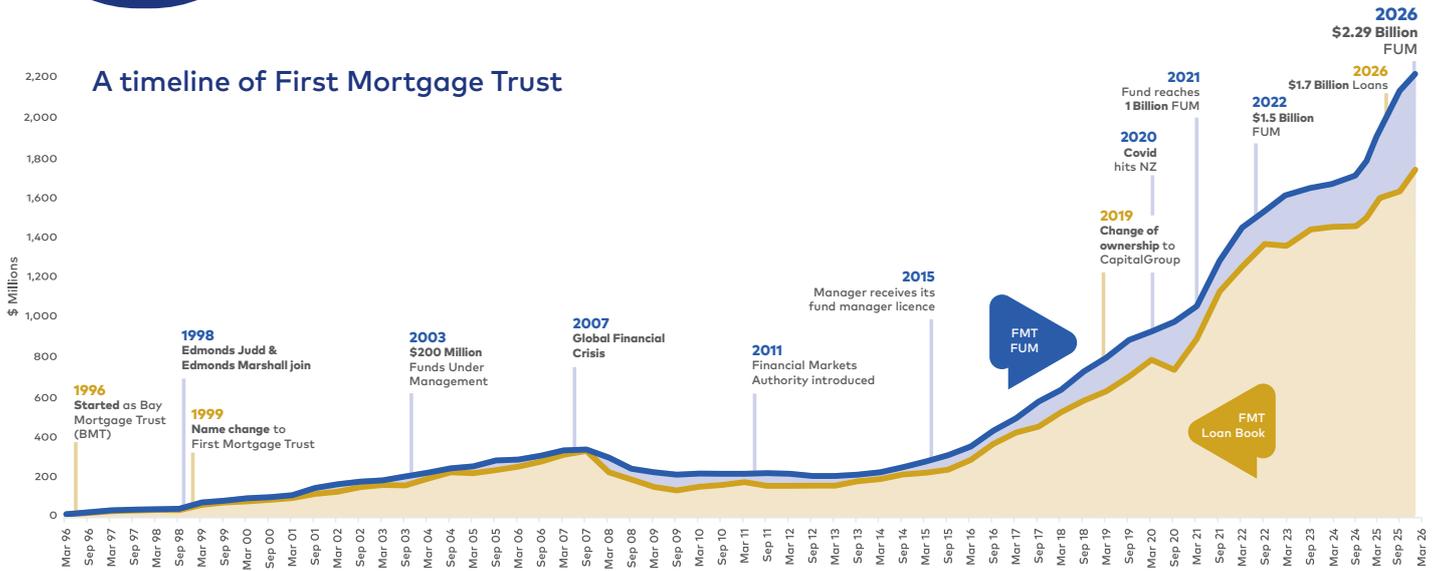
Paul Bendall, CEO





30 Years Strong - A proven approach. Through every cycle.

This year, First Mortgage Trust marks 30 years of managing investments for New Zealanders. Since 1996, we've grown from \$30 million under management to more than \$2.3 billion, becoming a trusted nationwide investment fund. But scale has never been the goal. What matters is how we've grown - and what that consistency means for our investors.



Built through cycles, not moments

Over three decades, we've navigated major events, including the Global Financial Crisis and Covid-19. Markets have shifted, conditions tightened, and uncertainty has never gone away. Through it all, our focus has remained unchanged: delivering consistent returns and protecting investor capital.

Importantly, not one investor has lost any capital with First Mortgage Trust. That outcome reflects disciplined lending,

conservative risk management, and a long-term approach focused on stability over short-term gains.

Looking ahead

Today's environment brings new challenges - but also new opportunities. Our approach remains the same: stay disciplined, stay transparent, and stay focused on protecting your investment, while continuing to grow with care.

30 years strong. Built for the long term.

Thank you for being part of the First Mortgage Trust story.

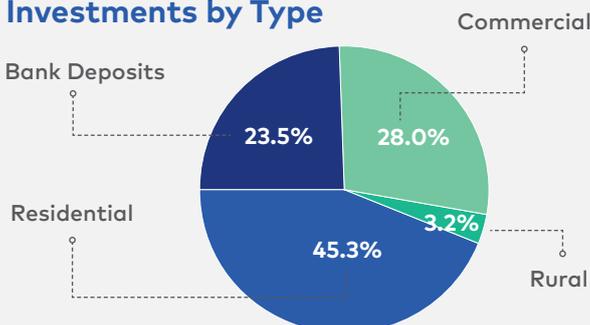
First Mortgage Trust Loan Book - key facts

Our loan book is diversified across property type and location. As an active fund manager, we continually review the quality of our loans and ensure we adhere to our relatively conservative investment strategy.

This is demonstrated by our investment portfolio loan to value ratio (LVR) being approximately 50.97%.

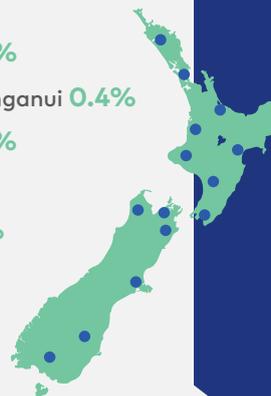
The following information provides details of our loans by region and investments by type as at 20 March 2026, demonstrating our diversity.

Investments by Type



Loans by Region

- Northland 0.3%
- Auckland 53.9%
- Bay of Plenty 3.8%
- Waikato 3.8%
- Taranaki 0.1%
- Hawkes Bay 0.5%
- Manawatu-Whanganui 0.4%
- Wellington 20.4%
- Nelson 0.4%
- Canterbury 9.6%
- Otago 6.6%
- Southland 0.2%



Loan Summary

- Number of loans **503**
- Loans secured over **1,081** properties
- Average loan size **\$3.59m**
- Average LVR **50.97%**
- Loan origination in last 12 months **\$1.176b**



Article by
Tony Alexander,
Independent
Economist

Oil Shock Hits Home: Slower Growth, Higher Interest Rates

There is so much uncertainty regarding how long oil prices remain high and how disruptive the effects will be on our economy and others that forecasting where we likely go from here is extremely difficult. Probably the best we can say is that the strengthening of the pace of recovery in our economy expected for this year will now be muted.

That means growth in employment will be less than previously thought which in turn means growth in demand for housing will be slightly weaker than expected. Nonetheless, the recovery in real estate activity evident since the first half of 2023 is still likely to continue.

What about average house prices? Already we can see in the data that prices growth is near completely absent. This reflects some growth in demand for housing being offset by continuing caution about the jobs outlook, rising interest rates, and good growth in new house supply.

With regard to interest rates there is new upward pressure over and above that which I was already predicting for this year because of the hikes in oil prices feeding through the global economy. It is possible that Australia's inflation rate this year will exceed 5% while ours gets close to 4% from 3.1% at the moment.

To a certain extent the Reserve Bank will "look through" the one-off spike in inflation coming directly from higher fuel prices – the legislation requires them to do that. However, they have to pay attention to the second round effects and those are likely to be large in an environment where business profit margins are already tight.

In Australia the Reserve Bank has already raised its cash rate twice this year. Once before the Iran War because inflation had hit 3.8% and they realised they had cut too much last year. Once since then in response to anticipated extra inflation from the war.

Here, our central bank would probably have held off raising rates at all this year given our lower starting point of 3.1% and their bias towards allowing inflation to track at the top end of the 1% - 3% target range. But now, a rate rise or two before the year is out is likely and already medium to long-term wholesale interest rates have been rising in expectation of policy tightening.

This has led to some increases in fixed mortgage rates, and more rises are expected as we advance through the year. These rate rises will tend to cap the growth in real estate turnover this year along with the extent to which construction rises. As for prices, it is hard to see gains on average amounting to very much at all this year.

We are at the beginning of an oil shock the duration and magnitude of which we cannot know. Maybe the safety of ships transiting through the Straits of Hormuz will be quickly restored now that a number of countries are going to work to protect the route. Maybe their efforts will fail. We don't know.

Thankfully for New Zealand there are some factors which suggest that our economy will continue to grow this year, though not by as much as previously thought. A key driver will be higher farm incomes spurring some extra farm spending, with assistance from the \$3.2bn to be allocated to Fonterra shareholders. But higher prices for fuel and fertiliser will curb this traditionally healthy stimulus to growth in our economy.

Foreign student numbers here are rising, infrastructure spending is firming, and both businesses and consumers have some spending to catch up on in areas of capital expansion and renewal and things like whiteware and motor vehicles.

A return to recession in New Zealand is possible but not highly probable this year. But wherever we head, for the moment the pressure on interest rates is upward because of rising inflation, not downward because of weakening growth prospects.

Tony Alexander is an independent economist and produces a free weekly publication with a housing focus called "Tony's View", available for signup at www.tonyalexander.nz



How does our compliance and monitoring framework help protect investor funds?

When you invest with us, you're placing your trust in how we manage your money. Protecting investor funds isn't just a regulatory requirement, it's a responsibility we take very seriously.

Behind the scenes, we operate a comprehensive compliance and monitoring framework designed to ensure investor funds are managed responsibly, transparently, and in line with strict regulatory and trust deed requirements. While much of this work happens quietly in the background, it plays a critical role in safeguarding your investment.

Our Funds operate under clearly defined investment rules, including limits on asset types, exposure levels and diversification. These requirements are set out in our Statement of Investment Policy & Objectives (SIPO). We actively monitor compliance with these parameters through structured reporting and a formal internal assurance programme that tests whether key controls and processes are operating as intended.

Technology plays an increasingly important role in strengthening this oversight. We have recently introduced automated monitoring and reporting tools to enhance accuracy, consistency, and early identification of potential issues. By reducing reliance on manual processes and leveraging data-driven insights, we improve our ability to detect anomalies, respond promptly, and continuously strengthen our control environment.

We also operate within New Zealand's Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) regime. This framework governs how we onboard investors and monitor transactions to help prevent financial crime and ensure regulatory requirements are met throughout the life of an investment.

Strong governance underpins this entire framework. Our Board provides active oversight of risk and compliance, receiving regular reporting and challenging management to ensure controls remain robust, proportionate, and forward-looking. This governance structure ensures that compliance is not simply operational, it is strategically supported at the highest level of the business.

Investor protection is further strengthened through multiple layers of independent oversight, including our external supervisors, independent audit processes, and formal regulatory reporting.

Ultimately, systems and controls are only effective when supported by the right culture. Compliance, risk management, and investor protection are embedded into day-to-day operations, supported by clear policies, regular reviews, and accountability at all levels.

For investors, this framework provides confidence that:

- Funds are managed within strict and transparent rules
- Risks are actively monitored and controlled
- Technology enhances oversight and early detection
- Strong Board governance supports accountability
- Independent oversight is in place

This reflects our ongoing commitment to protecting investor interests and maintaining confidence in how funds are managed.

Vanessa Connor / Senior Compliance & Quality Assurance Officer, First Mortgage Trust.

Cyber Security: Staying Alert Online

Cybercrime is increasing in New Zealand, and everyday individuals are often the main targets. As more of our banking, investing and communication happens online, it's important to remain aware of potential risks.

Many scams involve phishing emails or messages designed to look like they come from trusted organisations.

Warning signs to watch for

- Unexpected emails asking for personal info or payments
- Urgent requests for payment or account details
- Messages with unusual links or attachments
- Requests to change bank or login info

If something feels off, pause and verify the request through a trusted contact method.

Simple ways to protect yourself

- Use strong, unique passwords and enable two-factor authentication
- Don't click links or download attachments from unexpected messages
- Download apps only from official stores
- Keep devices updated
- If an email seems suspicious, contact the sender via phone or text - do not reply directly to the email.

FMT communications

Emails from FMT come only from our official domain @fmt.co.nz. Treat any other messages with caution. If you ever receive a message relating to your investment that seems unusual, please contact us before responding. For more tips, visit www.netsafe.org.nz



Helping the Next Generation Get Ahead

Many of our investors choose to open FMT investment accounts for their children and grandchildren.

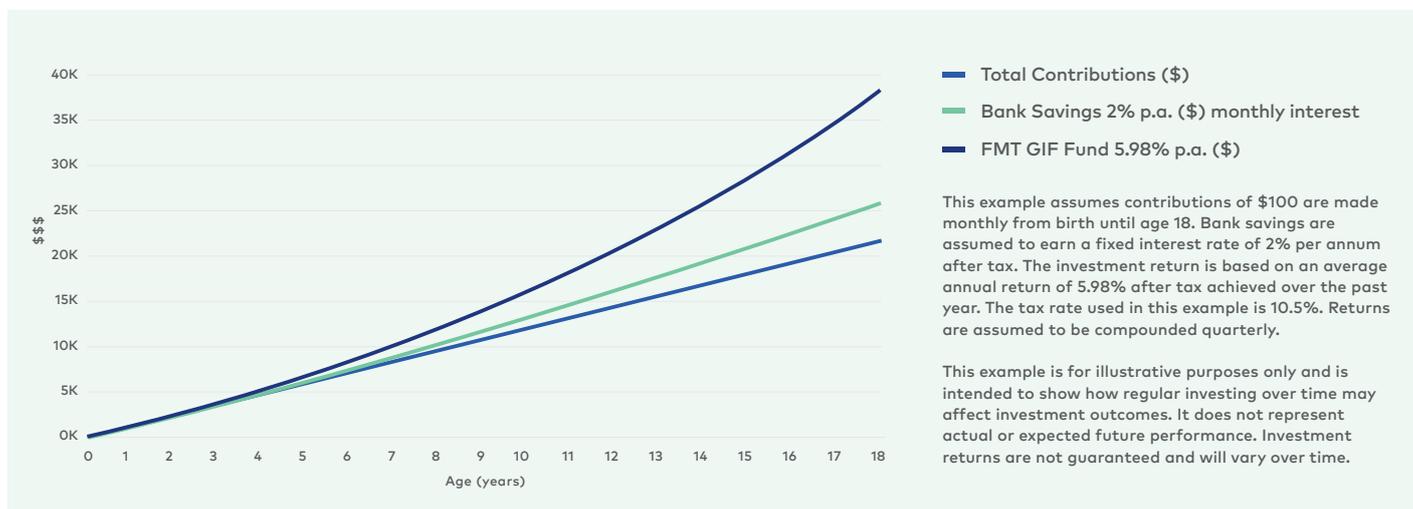
It can be a thoughtful way to give the next generation a financial head start and begin building long term wealth for their future.

Starting early is powerful because of the benefits of compound investing. Compounding means that returns earned on an investment begin generating their own returns over time.

The earlier an investment begins, the longer this compounding effect has to work.

Even relatively small, regular contributions can grow significantly over many years when invested in a diversified portfolio.

How \$100 per month could grow by age 18



What happens when the investor turns 18?

When a young investor turns 18, they become a legal adult and gain full authority over their investment. Any parent or grandparent signing authority automatically falls away at that time. If the investor wishes, they can choose to put a new signing authority in place by completing and signing the appropriate form.

If the investment is held in the young person's own name, access cannot be restricted once they turn 18, even if someone else contributed the funds or intended them to be used for a specific purpose.

Before we can act on instructions from an investor who has turned 18, we will need updated identification, any required AML/CFT information, and confirmation of their contact details. If you would like greater control over how funds may be accessed in the future, we recommend discussing trust options with your solicitor before investing.

If you are interested in opening an investment for a child or grandchild, our team would be happy to help.

Project Spotlight – Dual-Dwelling Development

At FMT, we take pride in supporting projects that represent strong opportunities. This recent project is a great example of how our lending solutions and long-standing relationships with advisers help bring developments to life.

We funded the construction of two stand-alone dwellings in Canterbury. The borrowers were two young couples with prior development experience, owned the land debt-free and were ready to move forward with the build.

The borrowers' main bank required a pre-sale before approving the funds, which they did not yet have in place.

This is where FMT was able to step in and by taking a pragmatic and people-first approach, we were able to assess the full picture and provide the funding needed to progress the development.

"We are comfortable in backing transactions like this one given the borrowers strong equity position, parties involved, quality of the product and sought after location," says Natalie East, our BDM.

This project was introduced by a mortgage adviser, highlighting the value of strong and trusted relationships across the adviser network.

The adviser had a clear understanding of our lending approach, knew the project had strong fundamentals, and by working closely together we were able to move quickly and structure a solution that enabled the development to proceed.

"FMT made the entire process incredibly easy to navigate, and the team's professionalism has stood out at every step," says Nigel Ho, broker at Loan Market.

For over 30 years, FMT has been helping Kiwis succeed in their property goals, delivering real results for borrowers and investors while contributing to New Zealand's growth.



Natalie East
BDM, FMT

Sponsorships - Supporting Our Communities

Sponsorships and partnerships are an important part of how FMT supports the people and communities we are part of. They also give us opportunities to connect with investors and stakeholders, strengthen relationships, and support the communities where we operate.

Here are two partnerships we have recently supported.

NZ Veterans Golf Association – National Partnership

The New Zealand Veterans Golf Association (NZVGA) organises and coordinates golf tournaments and events for people aged 50+ who are members of affiliated golf clubs throughout New Zealand.

FMT is proud to support the NZVGA in bringing members together through sport. The partnership also helps us stay connected with members and investors through tournament attendance and community engagement.

We look forward to continuing the partnership and attending the NZVGA 2026 Nationals in Whangarei later this year.

2026 Queenstown Tennis Open

We recently sponsored the 2026 Queenstown Tennis Open. The event attracted around 40 players, including many competitors from outside the region.

Thanks to FMT's sponsorship, the tournament was able to offer its first-ever prize purse, helping organisers attract a strong talent and recognise top performances across the weekend.

"People are at the heart of everything we do," said Paul Bendall, CEO FMT. "We are proud to sponsor this event and look forward to partnering with Queenstown Tennis in the future to support the local community and players."



I am the Executor named in a Will - what happens next?

Being appointed as an Executor in a Will is a significant responsibility. You are entrusted with administering the estate in accordance with the Will and New Zealand law. This includes identifying and managing all assets, which may range from bank accounts and property to investments. There is also the emotional side of supporting a family, and dealing with your own grief in the process.

We work closely with executors to support them as much as they need. The following outlines the key steps taken by executors/legal advisers as part of the estate administration process.

Locate the Will and Confirm Your Appointment

Your authority to act comes from the Will. Once you have located the original signed Will and confirmed you are named as executor, you are responsible for securing and protecting the estate's assets.

If more than one executor is appointed, all executors must act jointly. Asset holders will require consistent instructions from all executors before releasing information or funds.

Apply for Probate

Before you can access or deal with most estate assets, you will need to obtain Probate. This is a High Court order confirming that the Will is valid and that you are authorised to act as executor.

Most asset holders - including banks, investment managers, and mortgage funds - will not release or transfer assets until Probate has been granted.

Notify All Asset Holders

Once Probate is underway, you should contact each organisation where the deceased held assets. This may include banks, KiwiSaver providers, investment managers, share registries and insurers.

Each organisation will advise you of the documentation required and the options available for dealing with the asset. This typically includes providing:

- A certified copy of the death certificate
- A copy of the Will
- Identification for all executors
- A copy of the Probate order once granted

If the estate includes fixed term or income producing investments, the provider will confirm how interest or returns are treated and whether early withdrawal is possible.

Investments held in joint names pass jointly by survivorship in most cases. Some other assets transfer to a named beneficiary automatically on death, i.e. some life insurance policies. KiwiSaver can never be held jointly, and will always pass to an estate to be distributed pursuant to a Will (or the rules of intestacy).

Protect and Manage the Estate's Assets

Executors have a legal duty to preserve the value of the estate. This includes:

- Confirming balances and ownership details
- Reviewing maturity dates for fixed term investments
- Ensuring income continues to be paid to the estate
- Making prudent decisions about whether to retain or redeem investments

Any decisions must be made in the best interests of the beneficiaries.

Pay Estate Debts and Expenses

Before distributing any assets, you must settle the estate's liabilities, including funeral expenses, taxes, professional fees and outstanding debts.

Funds released from investments or bank accounts may be used for these purposes once paid into the estate account.

Distribute the Estate

Once debts have been paid and the estate is ready for distribution, you may:

- Redeem investments and distribute the proceeds; and/or
- Transfer investments to beneficiaries (if permitted by the Will and accepted by the provider).

Asset holders will require formal written instructions from all executors before releasing or transferring funds.

Maintain Accurate Records

Executors must keep clear and complete records of:

- All correspondence with asset holders
- Balances and income received
- Decisions made regarding retention or withdrawal
- Final distribution amounts

These records form part of your executor's account and help protect you from personal liability.

Key Considerations for Estates with Managed Investments

Where the estate includes investments such as those held with mortgage funds, fund managers, or other investment providers:

- Fixed term investments may not be immediately accessible. Executors should check maturity dates early to manage timing expectations.
- Interest or returns may continue to accrue after death. Providers will confirm how this is handled.
- All executors must sign instructions. Investment providers cannot act on partial or individual directions.
- Early withdrawal may require approval or may not be available. Executors should consider whether early redemption aligns with their duty to act prudently.

Administering an estate can be complex, particularly where investments or fixed term assets are involved. Understanding your obligations and the steps required will help ensure the estate is managed efficiently and in accordance with the Will. *This article provides general information only and does not constitute legal advice.*



HOLLAND BECKETT

▶▶ Article provided by
Rebecca Steens / Senior Associate
Holland Beckett.

Save the Date: Investor Meetings 2026

We are excited to announce the upcoming Investor Meetings for 2026. These events are a great opportunity for you to meet the FMT team, hear from our leadership and directors about the business and future focus areas, and ask any questions you may have.

- ▶ **Matamata:** Tuesday, 20 October
- ▶ **Katikati:** Wednesday, 21 October
- ▶ **Christchurch:** Wednesday, 28 October
- ▶ **Auckland:** Wednesday, 4 November
- ▶ **Auckland:** Thursday, 5 November
- ▶ **Hamilton:** Tuesday, 17 November
- ▶ **Te Awamutu:** Thursday, 19 November
- ▶ **Tauranga:** Tuesday, 24 November
- ▶ **Tauranga:** Wednesday, 25 November

Visit www.fmt.co.nz/investormeetings for the latest information; we will also send details closer to the meeting dates by email.

If you wish to receive email updates and we don't currently have your email address on file, please contact us at invest@fmt.co.nz and include your Investment Entity Name and Investment Number.

Mark your calendars and stay tuned for more details! We look forward to seeing you at our 2026 Investor Meetings.

FMT Investment Terms: A Quick Guide

From time to time, you may see the following terms in our communications. Here's a quick guide to what they mean:

- **Allocation** - Adding money to your investment. Once your funds are received, units are issued to your account in the Fund.
- **Redemption** - Withdrawing money from your investment by redeeming units from the Fund.
- **Order** - A request to make a transaction on your investment. This could be an allocation (adding funds) or a redemption (withdrawing funds).
- **Unit** - The way your investment in the Fund is measured. One unit equals one dollar, so the number of units you hold reflects the amount you have invested.
- **Holding** - The total value of your investment currently held in your account.



Talk to us ▶▶ 0800 321 113
invest@fmt.co.nz | fmt.co.nz

Enhanced Redemption Process

We're improving our redemption process to make it faster and more secure. Please contact us to make a redemption request and we will generate a Docusign form, allowing you to review and sign electronically. If you prefer to download and complete the paper form, you're welcome to continue using that option.

Quarterly Distribution Dates

Quarterly distributions will be paid three business days after the end of each quarter. Where public holidays fall in this period, the payment date is adjusted to the next business day.

June 2026 distribution → Thursday, 2 July 2026

September 2026 distribution → Monday, 5 October 2026

Redemption Notice Requirement

To process your redemption (withdrawal), we must receive your completed 'Notice of Redemption' at least two business days before the processing day.

For example: ▶ To redeem on Monday, submit the form by the previous Wednesday.

PDS & SIPO Update

Each year, we review our Product Disclosure Statements (PDSs) and Statements of Investment Policy and Objectives (SIPOs) for the Group Investment Fund and PIE Fund. These documents explain how your investment is managed and the parameters within which we lend.

This year's updates are focused on improving clarity, particularly around key risks, our lending approach, property valuations, and loan limits. Importantly, there is no change to our overall investment strategy or how your money is managed.

The updated documents are available on our website.