First Mortgage PIE Trust

Financial Statements 2026

For the year ended 31 March 2026

fmt
first mortgage trust

first mortgage managers

Signed for and on behalf of the manager,
First Mortgage Managers Limited:

Chairman
Michael Smith

Director
Simon Cotter

Date: 12 June 2026

fmt
first mortgage trust

Contents

Directory

The Manager

First Mortgage Managers Limited
45 The Strand
PO Box 13083
Tauranga 3141

Attention: Chief Investment Officer
Phone 0800 321 113
Email invest@fmt.co.nz
www.fmt.co.nz

Directors of the Manager

Michael John Smith (Chairman)
Greig Anthony Allison
Phillip Graeme Bell
Kylie Jane Boyd
Simon Roger Cotter
Craig Norman Haycock
Mark Joseph Synnott

The Supervisor

Public Trust
Private Bag 5902
Wellington 6140

Attention: Manager Client Services
Phone: 0800 371 471

The Auditors

KPMG
Level 2
247 Cameron Road
Tauranga

Chairman’s Report

We are pleased to present the financial statements for the First Mortgage PIE Trust for the year ended 31 March 2026.

It has been another year of economic uncertainty in New Zealand and overseas. Despite this, the underlying fund, First Mortgage Trust Group Investment Fund, again delivered a strong result for investors, achieving an annualised pre-tax return of 6.11%, after fees and expenses. This reflects the quality of the loan portfolio and our continued focus on consistent returns without compromising discipline.

FMT continued to grow during the year. We passed $2 billion in funds under management, and the loan book increased, supported by strong borrower relationships, careful lending, and a focus on quality first mortgage lending.

That growth has been achieved while maintaining stringent credit quality. Our non-performing loans remain below those of the main banks, reflecting our cautious approach to risk, selective lending, and close portfolio management.

This year also marked 30 years in business for FMT. In that time, we have grown from our Bay of Plenty roots into a nationwide business, while staying true to the principles that shaped us from the start: strong relationships, prudent lending, careful risk management, and a commitment to protecting and growing investor capital.

While these milestones matter, what matters most is the service and value we provide to investors. We remain focused on delivering a consistent investment experience, supported by clear communication, responsive service, and disciplined management of investor funds.

Thank you for your continued support.

Michael Smith
Chairman
First Mortgage Managers Limited

Statement of comprehensive income

For the year ended 31 March

	Note	2026 $000's	2025 $000's
Distribution income - First Mortgage Trust Group Investment Fund		55,505	52,061
Interest income - bank deposits		7	23
Total interest income		**55,512**	**52,084**
Expenses	6	7	23
Total expenses		**7**	**23**
Profit before tax		**55,505**	**52,061**
Income tax expense		-	-
Profit after tax and total comprehensive income		**55,505**	**52,061**

Statement of changes in equity

For the year ended 31 March

	Investors' funds $000's	Retained earnings $000's	Total equity $000's
Balance at 1 April 2025	**805,715**	**-**	**805,715**
Proft after tax and total comprehensive income	-	55,505	55,505
Contributions by and distributions to investors			
Distributions to investors	-	(55,505)	(55,505)
Units issued during the year	363,576	-	363,576
Units redeemed during the year	(144,934)	-	(144,934)
Total contributions by and distributions to investors	218,642	(55,505)	163,137
Balance at 31 March 2026	**1,024,357**	**-**	**1,024,357**
Balance at 1 April 2024	**665,414**	**-**	**665,414**
Proft after tax and total comprehensive income	-	52,061	52,061
Contributions by and distributions to investors			
Distributions to investors	-	(52,061)	(52,061)
Units issued during the year	283,696	-	283,696
Units redeemed during the year	(143,395)	-	(143,395)
Total contributions by and distributions to investors	140,301	(52,061)	88,240
Balance at 31 March 2025	**805,715**	**-**	**805,715**

The accompanying basis of preparation and notes form part of these financial statements.

Statement of financial position

As at 31 March

	Note	2026 $000's	2025 $000's
Assets			
Cash and cash equivalents		3	3,383
Distribution receivable		13,286	-
Investment - Units in First Mortgage Trust Group Investment Fund	7	1,024,357	805,715
Total current assets		**1,037,646**	**809,098**
Liabilities			
PIE tax payable		3,309	3,379
Distribution payable		9,977	-
Other payable		3	4
Total current liabilities		**13,289**	**3,383**
Net assets		**1,024,357**	**805,715**
Equity			
Investors' funds	8	1,024,357	805,715
Retained earnings	9	-	-
Total investors' equity		**1,024,357**	**805,715**

Statement of cash flows

For the year ended 31 March

	Note	2026 $000's	2025 $000's
Cash flows from operating activities			
Distributions received		42,219	64,073
Cash paid to related party		(8)	(31)
Bank interest received		7	23
Net cash from operating activities	**11**	**42,218**	**64,065**
Cash flows from investing activities(1)			
Investments made		(339,445)	(228,563)
Investments redeemed		121,089	101,959
Net cash from investing activities		**(218,356)**	**(126,604)**
Cash flows from financing activities(1)			
Proceeds from issue of units		320,648	205,286
Distributions to investors		(26,801)	(37,418)
Redemption of units		(121,089)	(101,959)
Net cash from financing activities		**172,758**	**65,909**
Net (decrease) / increase in cash and cash equivalents		(3,380)	3,370
Cash and cash equivalents at beginning of year		3,383	13
Cash and cash equivalents at end of year		**3**	**3,383**

(1) Cash flows from investing and financing activities exclude non-cash transfers between investor accounts and funds.

The accompanying basis of preparation and notes form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2026

1. REPORTING ENTITY

First Mortgage PIE Trust ("FM PIE Trust") is an unlisted open end Unit Trust domiciled in New Zealand.

First Mortgage Managers Limited (the "Manager") in its capacity as the manager of FM PIE Trust is a Financial Markets Conduct (FMC) reporting entity in terms of the Financial Markets Conduct Act 2013.

Public Trust (the "Supervisor") is the trustee and supervisor of FM PIE Trust.

FM PIE Trust was established by a master trust deed and an establishment deed. Both the master trust deed and the establishment deed were dated 28 November 2007 between the Supervisor and the Manager as varied by deed dated 20 September 2010 and deeds of amendment and restatement dated 14 September 2015 ("Trust Deed"). The FM PIE Trust commenced trading on 1 January 2008.

The financial statements of FM PIE Trust have been prepared by the Manager for the year ended 31 March 2026 in accordance with the Financial Reporting Act 2013, the Financial Markets Conduct Act 2013 and with the provisions of the Trust Deed.

FM PIE Trust invests solely in units in First Mortgage Trust Group Investment Fund ("FMT GIF") except for a small amount of cash for transactional and tax purposes. FMT GIF is primarily involved in facilitating the collective investment in loans secured by first ranking mortgages over land and buildings.

Readers of these financial statements should also refer to the financial statements of FMT GIF.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS Accounting Standards"), and other applicable Financial Reporting Standards as appropriate for tier 1 profit-oriented entities. The financial statements also comply with the requirements of International Financial Reporting Standards ("IFRS Accounting Standards").

(b) Basis of preparation

The measurement base adopted is that of historical cost, except in relation to investment in FMT GIF units as outlined in 3(a) below.

The methods used to measure fair values for disclosure purposes are discussed further in note 3(a).

(c) Functional and presentation currency

FM PIE Trust only holds investments in New Zealand which are denominated in New Zealand dollars.

These financial statements are presented in New Zealand dollars which is FM PIE Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand, except as otherwise stated.

(d) Use of estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements made by management in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 3(b). This relates specifically to the classification of units issued.

(e) New standards and interpretations

New and amended accounting standards

No new or amended standards and interpretations that became effective for the year ended 31 March 2026 have impacted these financial statements.

Accounting standards issued but not yet effective

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* replaces NZ IAS 1 *Presentation of Financial Statements* and introduces new requirements for the presentation and disclosure of information in financial statements. The new standard introduces revised profit or loss presentation requirements, including the introduction of new subtotals and the classification of income and expenses into operating, investing, and financing categories.

The standard becomes effective for annual reporting periods beginning on or after 1 January 2027 and will apply to comparative information. The Manager is currently assessing the impact of the new standard, and the assessment is yet to be completed.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise of investments in FMT GIF, other receivables, cash and cash equivalents and other payables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Non-derivative financial instruments (continued)

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if FM PIE Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if FM PIE Trust's contractual rights to the cash flows from the financial assets expire or if FM PIE Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at settlement date. Financial liabilities are derecognised if FM PIE Trust's obligations as specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances, call and short-term deposits with a remaining term to maturity of three months or less.

Investments in FMT GIF's units are recorded at the redemption value per unit as reported by the Manager of FMT GIF. They are classified as fair value through profit or loss. Due to the nature of FMT GIF, its units are consistently valued at one New Zealand dollar as determined by the unit valuation methodology prescribed in FMT GIF's trust deed and therefore there have been no movements in fair value in the profit or loss.

FMT GIF's units are considered to fall within Level 2 of the fair value hierarchy as defined in NZ IFRS *13 Fair Value Measurement*.

(b) Investors' funds

FM PIE Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

FM PIE Trust units are puttable instruments and meet the criteria required under NZ IAS 32 *Financial Instruments* to be classified as equity.

A puttable financial instrument that includes a contractual obligation for FM PIE Trust to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- It entitles the holder to a pro rata share of FM PIE Trust's net assets in the event of FM PIE Trust's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- Apart from the contractual obligation for FM PIE Trust to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of FM PIE Trust over the life of the instrument.

(c) Impairment

The carrying amounts of FM PIE Trust's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

(d) Distribution income

Distribution income comprises of returns on units in FMT GIF. Distribution income is recognised as it accrues, using the effective interest method.

(e) Income tax

FM PIE Trust as a Unit Trust elected to become a Portfolio Investment Entity (PIE) from the commencement date of the Fund. FM PIE Trust is required to allocate income to investors under one of the options available under the PIE rules, daily or quarterly, and then deduct tax at the investors prescribed investor rate of either 0%, 10.5%, 17.5% or 28%, provided the investor meets the PIE rules in accordance with the tax laws. The tax deducted is a debt due to the crown and is paid directly to Inland Revenue on the investors' behalf.

Any income not allocated to investors is liable for tax at 28%. FM PIE Trust allocates 100% of net income to investors and as a result FM PIE Trust has no undistributed surplus that would be liable for tax.

4. MANAGEMENT FEES

The current Product Disclosure Statement for FM PIE Trust states that the Manager will not charge a fee (see note 12).

5. SUPERVISOR FEES

The Trust Deed entitles the Supervisor to receive an amount not greater than 0.1% per annum calculated on the average daily balance of FM PIE Trust. In addition, the Supervisor is permitted to be reimbursed out of FM PIE Trust for all costs, expenses and liabilities incurred whilst acting for FM PIE Trust.

The current Product Disclosure Statement states that the Manager will pay the Supervisor fees from their own resources. For the year ended 31 March 2026, the Manager paid $472,592 supervisor fees (2025: $373,123).

6. EXPENSES

Under the terms of FM PIE Trust's Product Disclosure Statement, the Manager meets the expenses of FM PIE Trust. The expenses for the year ended 31 March 2026 include:

- Audit fees for the audit of the annual financial statements of $29,510 (2025: $28,262); and
- Audit-related fees, being the audit of FM PIE Trust's share registry of $5,221 (2025: $4,994).

The Manager is entitled to be reimbursed for expenses by an amount equal to the interest earned on cash on hand due to timing differences between the date of distributions and the due date for the payment of tax in relation to those distributions to Inland Revenue. During the year ended 31 March 2026, reimbursements of $6,632 were recognised in relation to the Manager (2025: $23,123). As at 31 March 2026, $2,302 was payable to the Manager (2025: $4,103).

7. INVESTMENT – FIRST MORTGAGE TRUST GROUP INVESTMENT FUND

	As at 31 March 2026 $000's	As at 31 March 2025 $000's
Current investments:		
Units in the FMT GIF at $1 per unit	1,024,357	805,715
Total units and amount of investment	**1,024,357**	**805,715**

8. INVESTORS' FUNDS

	Year ended 31 March 2026 Number of Units / $000's	Year ended 31 March 2025 Number of Units / $000's
On issue at beginning of year at $1 per unit	805,715	665,414
Units issued during the year at $1 per unit	363,576	283,696
Units redeemed during the year at $1 per unit	(144,934)	(143,395)
On issue at end of year at $1 per unit	**1,024,357**	**805,715**

The investors receive quarterly distributions within three working days of being declared. Distributions of $55,504,593 were declared and paid by FM PIE Trust during the year ended 31 March 2026 (2025: $52,060,760).

9. RETAINED EARNINGS

	Year ended 31 March 2026 $000's	Year ended 31 March 2025 $000's
Balance at beginning of year	-	-
Profit for the year	55,505	52,061
Distributions to investors	(55,505)	(52,061)
Balance at end of year	**-**	**-**

Retained earnings represent the net proceeds from FM PIE Trust's investment activities for the year which have not yet been distributed or credited to investors. The current policy of FM PIE Trust is to distribute 100% of net proceeds from investment activities.

10. FINANCIAL INSTRUMENTS

Financial Risk Management

FM PIE Trust's investment portfolio consists only of investments in units of FMT GIF that it intends to hold for an indefinite period of time. In addition, FM PIE Trust has financial instruments in the form of cash and cash equivalents and other payables and receivables which arise directly from its daily operations.

Through the holding of these investments, FM PIE Trust is exposed directly and indirectly to a variety of financial risks including credit, market (interest rate), and liquidity risks. FM PIE Trust relies on the credit, liquidity and market risk policies of the Manager of FMT GIF to manage FM PIE Trust's indirect risk exposure. Readers of these financial statements should refer to the financial statements of FMT GIF for information on FMT GIF's exposure to the above risks.

The risk management policies employed by FM PIE Trust are discussed in the notes below.

Equity and credit risk

FM PIE Trust has equity risk in that it invests in units in FMT GIF.

FM PIE Trust's investment policy is to invest in units in FMT GIF which creates credit exposure to FMT GIF equal to 100% of equity of FM PIE Trust at all times.

The investment policy of FMT GIF is to establish and maintain a broad range of loan investments secured by first registered mortgages over land and buildings. FM PIE Trust relies on the investment policy of FMT GIF to manage exposure to credit risk.

10. FINANCIAL INSTRUMENTS (continued)

Equity and credit risk (continued)

As at 31 March 2026, there were no aggregate exposures to any individual counterparties that equalled or exceeded 10% of FM PIE Trust's equity (2025: nil).

The credit risk disclosures have been prepared based on FM PIE Trust's direct investments and not on a look through basis for investments held indirectly through FMT GIF's units. Consequently, the disclosure of credit risk in the note only represents the direct credit risk profile of FM PIE Trust. For an understanding of credit risk users of these financial statements should read FMT GIF's financial statements.

Liquidity risk

Liquidity risk is the risk that FM PIE Trust will encounter difficulty in meeting obligations associated with financial liabilities. FM PIE Trust is exposed to daily cash redemptions of units, which are accounted for as equity.

FM PIE Trust invests most of its assets in investments in FMT GIF, which under normal market conditions are readily convertible to cash. Investments in FMT GIF are redeemable on demand, but under the terms of investment, the Manager can take up to 90 business days to settle redemptions. Payment of investor withdrawals are met by redeeming the equivalent units in FMT GIF.

The Manager monitors the funds' liquidity positions through the review of daily cash flow information which highlights current and known future levels of redemptions. FMT GIF maintains a portion of the fund in liquid assets to provide for withdrawals and running expenses. As of 31 March 2026, FMT GIF held 23.8% of the Fund in liquid assets (2025: 15.2%). FM PIE Trust's approach to managing liquidity is to rely on the liquidity management of FMT GIF.

FM PIE Trust is exposed to the same liquidity risk as FMT GIF. FM PIE Trust relies on the ability to redeem a portion of any investment in FMT GIF to meet withdrawal requests.

The liquidity risk disclosures have been prepared based on FM PIE Trust's direct investments and not on a look through basis for investments held in FMT GIF. Consequently, the disclosure of liquidity risk in the note only represents the direct liquidity risk profile of FM PIE Trust.

For a better understanding of liquidity risk users of these financial statements should read FMT GIF's financial statements.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The investments in units in FMT GIF provide a floating rate return. As a result, FM PIE Trust is directly subject to risk due to fluctuations in the prevailing levels of market interest rates. The annualised distribution rate for the quarter on investment in these units as of 31 March 2026 was 5.32% (2025: 7.04%). Cash and cash equivalents are held in a call account on a floating rate. The weighted average interest rate on cash and cash equivalents as of 31 March 2026 was 0.43% (2025: 1.30%).

The interest rate risk disclosures have been prepared based on FM PIE Trust's direct investments and not on a look through basis for investments held in FMT GIF. Consequently, the disclosure of interest rate risk in the note only represents the direct interest rate risk profile of FM PIE Trust.

For a better understanding of interest rate risk users of these financial statements should read FMT GIF's financial statements.

Capital management

FM PIE Trust's capital consists of investors' funds and is not subject to any externally imposed capital requirements. See discussion on liquidity risk above for capital management techniques for investors' funds.

Sensitivity analysis

The quarterly distribution to investors is the quarterly net profit arising from operations, after allowing for expenses, bad debts, and taxes.

The key driver of this distribution is income from the investment in FMT GIF. A 1% increase/(decrease) in the distribution rates received from FMT GIF and bank deposits would normally drive a corresponding 1% increase/(decrease) in the distribution to investors.

Estimation of fair values

The methods used in determining the fair values of financial instruments are discussed in note 3. FM PIE Trust's investments are carried at fair value on the statement of financial position. For certain other financial instruments (including other payables) the fair value approximates carrying value due to their immediate or short-term nature.

11. RECONCILIATION OF THE PROFIT FOR THE YEAR WITH THE NET CASH FROM OPERATING ACTIVITIES

	Year ended 31 March 2026 $000's	Year ended 31 March 2025 $000's
Profit for the year	**55,505**	**52,061**
Adjustments for:		
Change in other payable	(1)	(8)
Change in distributions receivable	(13,286)	12,012
Net cash from operating activities	**42,218**	**64,065**

12. RELATED PARTIES

(a) Nature of relationship

FM PIE Trust is managed by the Manager as outlined in the Product Disclosure Statement. The Manager makes all decisions relating to administration, investment management, investment applications, and the management of FM PIE Trust's investment portfolio. The Manager's responsibilities are set out in detail in the registered Trust Deed between the Manager and the Supervisor. The Manager does not hold or own any of the assets of FM PIE Trust. The Manager does not guarantee the return of principal or income to investors.

The Supervisor is the appointed trustee and supervisor of FM PIE Trust. The role of the Supervisor is to hold all the assets of FM PIE Trust on behalf of investors and to monitor compliance by the Manager with the requirements of the Trust Deed. The Supervisor's responsibilities are set out in detail in the Trust Deed. The Supervisor is required to exercise reasonable diligence to ascertain whether or not a breach of the terms of the Trust Deed or the offer of units has occurred. The Supervisor does not guarantee the return of principal or income to investors.

The Supervisor and Manager are indemnified by FM PIE Trust on the terms set out in the Trust Deed. The Supervisor and Manager are entitled to be reimbursed out of FM PIE Trust for all expenses, costs or liabilities incurred by them acting as supervisor or manager. General expenses and supervisor fees in relation to FM PIE Trust are met by the Manager in the first instance. The Manager is reimbursed for these expenses to the extent of interest earned on cash on hand in FM PIE Trust due to timing differences between the payment of distributions from FM PIE Trust and the due date for payment of tax in relation to those distributions to Inland Revenue, as detailed in note 6.

FMT GIF is also managed by the Manager and FM PIE Trust invests in FMT GIF.

Directors and key management personnel of the Manager are also considered related parties of FM PIE Trust.

Directors of the Manager may be trustees in their professional capacity as solicitors of other trusts that borrow from the FMT GIF or invest in FM PIE Trust or FMT GIF. In these cases, the director is not a named beneficiary of the trust.

Except for loans where a director of the Manager is a trustee in a professional capacity there are no loans to related parties by FMT GIF as at balance date.

(b) Transactions and balances

As of 31 March 2026, directors and key management personnel of the Manager, either individually or through related interests, held units to the value of $3,288,847 in FM PIE which invests in FMT GIF and received $90,064 distributions during the year (2025: $821,441 units held and $58,788 of distributions received for the year).

The Manager of FM PIE Trust receives a fee on funds invested by FM PIE Trust in FMT GIF directly from FMT GIF. The Manager is entitled to a management fee of 1.5% plus GST (if any) per annum calculated on the average daily balance of FMT GIF. The Manager charged the full management fee during the year ended 31 March 2026. To reimburse the Manager for expenses incurred in collecting overdue mortgages, the Manager may charge FMT GIF an amount equal to half of the penalty interest (if any) received on those loans.

During the year ended 31 March 2026, penalty interest of $1,716,822 was charged by FMT GIF (2025: $568,146), of which $871,287 (2025: $281,163) was remitted to the Manager, with the remaining $845,535 retained within FMT GIF (2025: $286,983). In addition, the Manager is permitted to be reimbursed out of FMT GIF for all costs, expenses and liabilities incurred whilst acting for FMT GIF. Management fees paid to the Manager of FMT GIF during the year were $32,468,564 (2025: $26,541,731), of which $14,214,413 (2025: $10,900,325) related to FM PIE Trust investment.

In addition, during the year borrowers of FMT GIF have paid loan processing fees directly to the Manager of $29,038,997 (2025: $26,102,146). The fees are loan establishment fees which are generally paid by FMT GIF across to the Manager from loan advances made to the borrower.

Supervisor fees paid to the Supervisor are detailed in note 5.

As of 31 March 2026, FM PIE Trust held units to the value of $1,024,357,192 (2025: $805,714,890) in FMT GIF and received $55,504,593 of distributions during the year (2025: $52,060,760). The value of units issued by FMT GIF to FM PIE Trust during the year was $363,576,721 (2025: $283,695,551) and the value of the units redeemed by FMT GIF to FM PIE Trust during the year was $144,934,428 (2025: $143,394,689).

13. SUBSEQUENT EVENTS

There have been no material events subsequent to the reporting date that require disclosure in these financial statements.

Independent Auditor's Report

To the Investors of First Mortgage PIE Trust

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2026;
- the statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of First Mortgage PIE Trust (the **Fund**) on pages 4 to 10 present fairly in all material respects:

- the Fund's financial position as at 31 March 2026 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of First Mortgage PIE Trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Our firm has provided other services to the Fund in relation to investor register assurance. Subject to certain restrictions, partners and employees of our firm may also deal with the Fund on normal terms within the ordinary course of trading activities of the business of the Fund. These matters have not impaired our independence as auditor of the Fund. The firm has no other relationship with, or interest in, the Fund.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at $4,700,000 determined with reference to a benchmark of the Fund's Total Assets. We chose the benchmark because, in our view, this is a key measure of the Fund's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. Due to the simple nature of the fund's operations, it was determined that there were no key audit matters to report.

Other information

The Directors of the Manager, on behalf of the Fund, are responsible for the other information. The other information comprises information included in the Directory and Chairman's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the Investors. Our audit work has been undertaken so that we might state to the Investors those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Investors for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Directors of the Manager for the financial statements

The Directors of the Manager, on behalf of the Fund, are responsible for:

— the preparation and fair presentation of the financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
— implementing the necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and
— assessing the ability of the Fund to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is John Kensington.

For and on behalf of:

KPMG

Tauranga

12 June 2026

Notes

Notes

Notes

fmt
first mortgage trust

Find out more
0800 321 113
fmt.co.nz