

Finbase PIE Fund Quarterly Update

1st July 2026 – 30th September 2026

Published on 19th October 2026



Finbase presents this Quarterly Update to the investors in the Finbase PIE Fund (“Fund”) for the quarter ended 30th September 2026.

Important information

LEGAL MATTERS

Information in this document is current as at 30th September 2026. Finbase Funds Management Limited is the manager and issuer of the Finbase PIE Fund, and is a wholly-owned subsidiary of HP Capital Limited, trading as Finbase. As manager of the Finbase PIE Fund, we benefit financially if you invest in the Fund.

Investments in the Finbase PIE Fund are limited to persons who are wholesale investors in terms of clause 3(2) or 3(3)(b) of Schedule 1 of the Financial Markets Conduct Act 2013. No product disclosure statement for the purposes of that Act has been prepared, and none is required for a wholesale offer. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself. Finbase investments are not covered by the Depositor Compensation Scheme (DCS).

FURTHER INFORMATION

If you would like more information about the Fund, Finbase's lending criteria, or the company, please head to our website www.finbase.nz.

HOW TO FIND FURTHER INFORMATION

Copies of documents relating to the Fund, such as the SIPO and Information Memorandum, are available at www.finbase.nz or by contacting our investment team at:

invest@finbase.nz
09 520 0373

Information about those involved in the Fund

US AND FINBASE

We (Finbase Funds Management Limited) are responsible for the management of the Fund.

As manager, we are responsible for offering and issuing units in the Fund, managing the Fund's investments, and administering the Fund in accordance with the relevant governing documents. We have various duties, including to act in the best interests of investors when performing our management role.

We are a wholly-owned subsidiary of HP Capital Limited, trading as Finbase ("Finbase"), and we have appointed Finbase to carry out management and investment functions for the Fund on our behalf.

Finbase was incorporated in June 2022 and specialises in facilitating first mortgage loan investments and associated asset management for high net worth and institutional investors. Finbase's directors (who are also our directors) have a combined 20+ years' experience in the New Zealand residential and commercial real estate market.

DETAILS OF THE FUND

The name of the fund is Finbase PIE Fund. It is a managed investment scheme offered solely to certain wholesale investors as defined in the Financial Markets Conduct Act 2013 ("FMC Act"). The trustee of the Fund is Public Trust ("Trustee").

Fund name	Finbase PIE Fund
Trustee	Public Trust
Fund started	1 June 2024

The Fund is only available to selected wholesale investors under the FMC Act.

Key personnel

NAME	CURRENT POSITION	CONTACT DETAILS
Pernell Callaghan	Managing Director	pernell.callaghan@finbase.nz
Hayden Thompson	Managing Director	hayden.thompson@finbase.nz
Katrina Lu	Head of Finance	katrina.lu@finbase.nz
Antje Volk	Head of Treasury	antje.volk@finbase.nz
Rhys van Stipriaan	Head of Risk and Compliance	rhys.vanstipriaan@finbase.nz
Brenda Dixon	Head of Lending	brenda.dixon@finbase.nz

Letter from The Directors



It has been another busy quarter for the Finbase PIE Fund, with the Fund continuing to grow and welcome both new and existing investor capital. We are also pleased to advise that investors received an annualised distribution of 8.23% p.a.¹ for the September quarter, meeting the Fund's target return for the period.

We want to start by saying thank you. We are extremely grateful for the continued trust and support our investors place in Finbase. We recognise the responsibility that comes with managing your capital and remain focused on building a Fund that can perform consistently through different market conditions.

The New Zealand property market is at an interesting point in the cycle. With the General Election now only a few weeks away, interest rates moving again and economic conditions continuing to evolve, there remains a degree of caution across the market. Buyers and sellers are taking their time, transaction activity remains subdued in many areas, and there are differing views on when the next sustained phase of the property cycle will emerge.

For Finbase, this environment reinforces the importance of remaining disciplined. Our focus continues to be on identifying high-quality lending opportunities with strong security positions, sensible leverage, credible borrowers and guarantors, and clear repayment or refinancing pathways. We are prepared to be selective where we believe the risk and return do not appropriately compensate our investors.

As the Fund continues to grow, our objective remains unchanged: to protect investor capital first, generate attractive income through well-secured mortgage lending, and continue improving the quality and diversification of the portfolio over time.

Thank you again for your continued trust in Finbase. We greatly appreciate your support and look forward to the quarter ahead.

Pernell Callaghan
Managing Director

Hayden Thompson
Managing Director

¹ The Manager partly waived the management fee and other recoverable expenses for the period from 1 July 2026 to 30 September 2026, adding approximately 1.51% p.a. to returns and enabling the Fund to maintain an annualised quarterly distribution of 8.23% p.a, consistent with the Fund's investment objective for the period. This waiver was 'one-off' and does not indicate the Manager will waive their fees in the future. Past performance is not a reliable indicator of future performance.

Fund update

FUND NAME

Finbase PIE Fund

QUARTER ENDING

30th September 2026

PURPOSE OF THIS UPDATE

This document provides an overview of the Fund’s performance for the past quarter. It is intended to assist you in comparing the Fund’s performance with other available market options. Please note that the information contained herein is unaudited and subject to updates.

DESCRIPTION OF THE FUND

The Fund invests in a portfolio of loans secured by first mortgages on residential, commercial, and rural properties, along with cash and cash equivalents. The Fund’s current objective is to provide investors with an annualised return per quarter (after fees but before tax) of at least 5% above the 90-day bank bill rate, as published by the Reserve Bank of New Zealand (RBNZ).¹

From 01 January 2027 the Fund’s investment objective will aim to provide investors with an annualised, after fees but before tax, return per quarter of at least 400 basis points higher than the Official Cash Rate (OCR) as published by the Reserve Bank of New Zealand (RBNZ).²

Total Value of the Fund	\$148M
Number of loans	166
Average loan size	\$844K
The date the Fund started	1 June 2024

¹ RBNZ wholesale interest rates daily close as at 31 March, 30 June, 30 September and 31 December each year.

² RBNZ OCR as at 31 March, 30 June, 30 September and 31 December each year.

³ Past performance is not a reliable indicator of future performance.

PORTFOLIO AND DISTRIBUTION UPDATE

We are pleased to advise an annualised quarterly distribution of 8.23% p.a.³ for the September quarter (after fees, before tax). This was in line with the Fund’s target return of 5% above the 90-day bank bill rate for the period.

During the quarter, a small number of loans in default were assessed as unlikely to fully repay the amounts owing to the Fund. As a prudent measure, expected credit loss provisions were recognised against these loans. While no principal loss has been realised, these provisions reduced the Fund’s annualised return for the quarter to approximately 6.72% p.a.

To offset this impact, the Manager partially waived the management fee and certain recoverable expenses, adding approximately 1.51% p.a. to returns and enabling the Fund to maintain an annualised quarterly distribution of 8.23% p.a., consistent with the Fund’s investment objective for the period. This waiver was ‘one-off’ and does not indicate the Manager will waive their fees in the future.

The affected loans continue to be actively managed, with recovery strategies underway to achieve the best possible outcomes for the Fund and its investors.

Check your PIR

With distributions being paid, now is a good time to check that your Prescribed Investor Rate (PIR) on file with us is correct, to ensure the right amount of tax is deducted from your distribution. To update your PIR or any other details, please contact our Investment team at invest@finbase.nz.

Monetary policy update

QUARTER ENDING
30th September 2026

The Official Cash Rate (OCR) has moved through a distinct cycle over the past two years. After falling materially through 2025, the RBNZ increased the OCR to 2.50% in July 2026 and to 2.75% in September. The Bank has indicated that future decisions will remain data-dependent rather than follow a pre-determined path.

For a mortgage-backed portfolio, the important consideration is not any single OCR decision, but how changes in benchmark rates flow through to the loans the Fund actually holds. Because much of the portfolio is fixed for a period, changes in market rates are reflected progressively as loans mature, refinance or reprice.

HOW THE PORTFOLIO RESPONDS TO A CHANGING RATE CYCLE

The Fund's underlying assets are predominantly fixed-rate mortgages written for terms typically ranging from six to eighteen months. Each loan continues to earn the rate that applied when it was written, or last refixed, until it matures or reprices at prevailing market conditions.

As a result, the portfolio's blended yield does not move in step with the OCR. It adjusts with a lag that reflects the maturity profile of the existing loan book. The same dynamic works in both directions: higher market rates take time to flow through to fixed-rate assets, while lower market rates also take time to reduce the yield on loans written at earlier, higher rates.

This lag is a structural feature of a predominantly fixed-rate mortgage portfolio. Investors should therefore expect the Fund's distribution profile to respond to monetary policy with a delay measured in months, depending on the remaining terms and pricing of loans within the portfolio.

PORTFOLIO POSITIONING: A SHIFT TOWARD VARIABLE-RATE LENDING

We have been progressively increasing the proportion of new lending written on variable (floating) rate terms as part of the Fund's ongoing origination strategy.

- Variable-rate loans reprice as the Fund's floating rate changes, rather than remaining locked in for a fixed term.
- This reduces the structural lag between changes in benchmark rates and the portfolio's earned yield.
- As the proportion of variable-rate lending increases, the Fund's distributions should become more responsive to changes in prevailing market rates, in both directions.

The trade-off is that a more variable-rate-weighted portfolio will also respond more quickly when market rates fall. We will continue to monitor the portfolio as the transition toward variable-rate lending progresses, having regard to the Fund's risk, return and liquidity objectives.

OUTLOOK

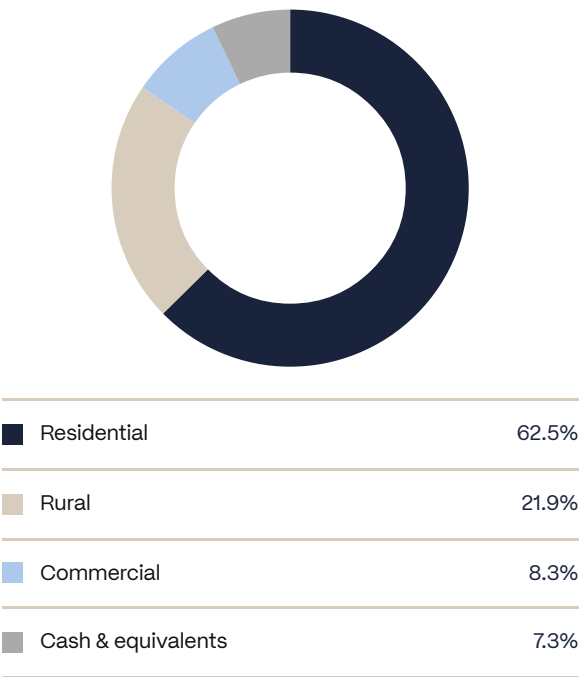
With the future path of interest rates uncertain, our focus is not on predicting the direction of the OCR but on maintaining a portfolio structure that can adapt as market conditions change. As existing fixed-rate loans mature and new loans are originated or repriced, the portfolio's earned yield will progressively reflect prevailing market pricing. The pace and direction of that adjustment will depend on the maturity profile of the loan book, borrower pricing and future benchmark-rate movements.

We thank investors for their continued support of the Fund and welcome any questions on this update or on the Fund's positioning more generally. Please contact our investment team at invest@finbase.nz.

Investment portfolio overview

AS AT
30th September 2026

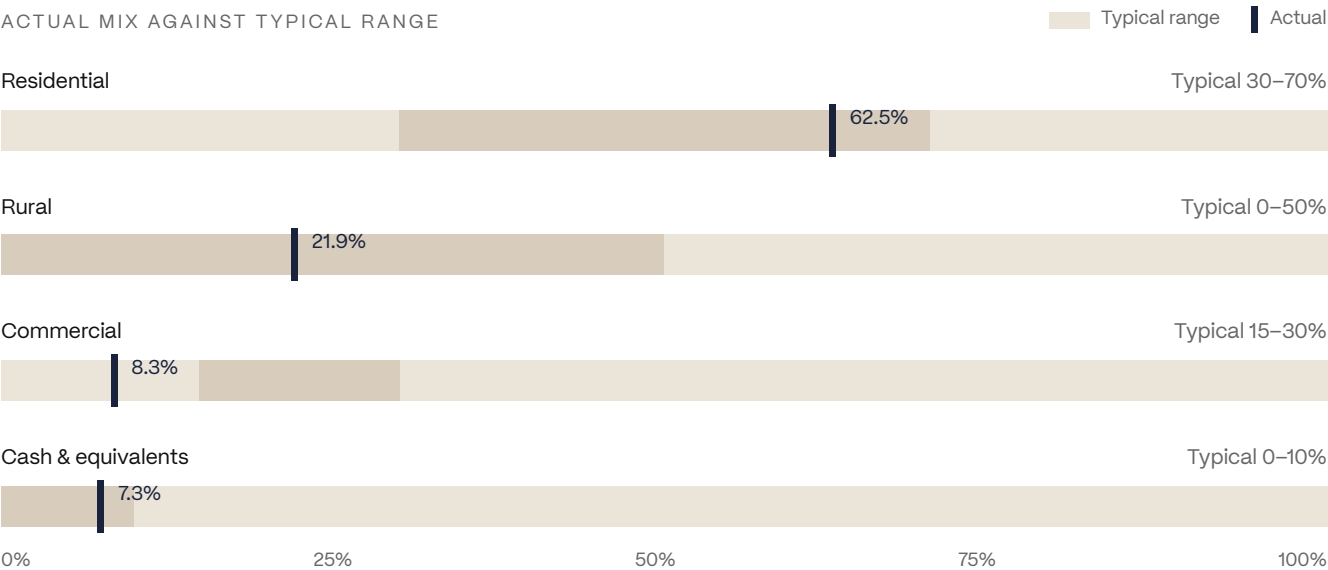
ACTUAL INVESTMENT MIX



Total value of the Fund

\$148,137,169.57

ACTUAL MIX AGAINST TYPICAL RANGE



SECURITY TAKEN

The Fund invests in loans secured by first mortgages across various property types, including:

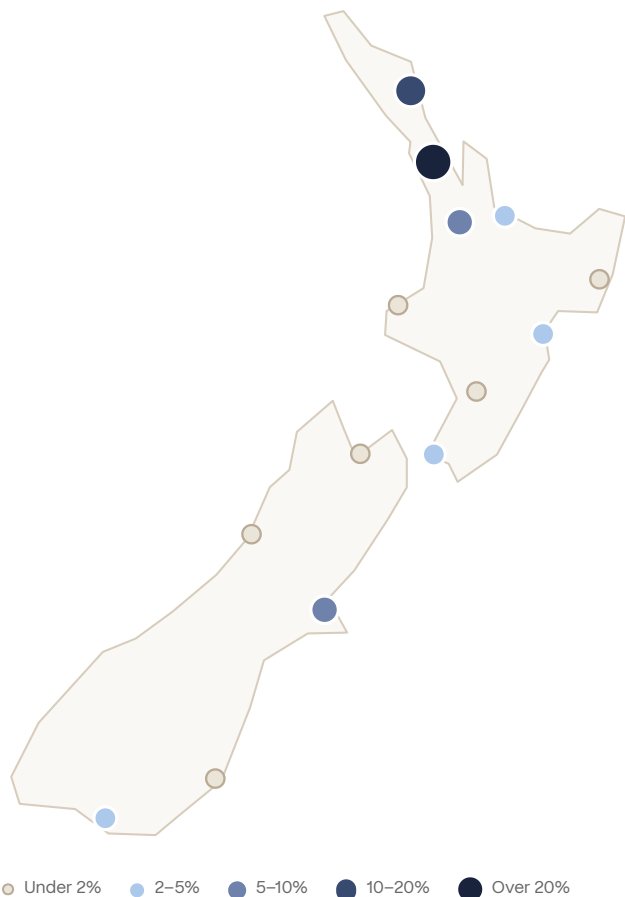
Residential: Secured loans for which the principal secured property is residential property.

Rural: Secured loans for which the principal secured property is rural property.

Commercial: Secured loans for which the principal secured property is commercial property.

Portfolio by region

WHERE THE FUND LENDS



Each marker is a region in which the Fund holds security, coloured by that region's share of the portfolio. Markers are not individual security locations. Regional shares are shown in full to the right.

PROPERTIES SECURED

258

AVERAGE LOAN AMOUNT

\$844,803

WEIGHTED AVERAGE LVR

55.9%

AVERAGE LOAN TERM

14 months

ASSET SPREAD — ALL REGIONS

REGION		% OF PORTFOLIO
Auckland		46.73%
Northland		15.58%
Canterbury		8.61%
Waikato		8.60%
Bay of Plenty		4.98%
Southland		4.30%
Hawke's Bay		3.01%
Wellington		2.20%

REGION		% OF PORTFOLIO
Manawatū-Whanganui		1.45%
West Coast		1.13%
Otago		1.08%
Taranaki		1.06%
Nelson		0.95%
Gisborne		0.32%
Tasman		0.00%
Marlborough		0.00%

