

Fund Update

PIE FUNDS MANAGEMENT SCHEME: PIE CONSERVATIVE FUND

Fund update for the quarter ended: 30.09.23

This fund update was first made publicly available on 20.10.23

What is the purpose of this update?

This document tells you how the Pie Conservative Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Pie Funds Management Limited (**Pie Funds**) 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 Conservative Fund seeks to preserve members' capital, with some capital growth, which outperforms the market index. The Fund is a diversified fund investing primarily in fixed interest securities and some cash, with an allocation to equities either directly or through products issued by Pie Funds.

| | |
|------------------------------------|---------------|
| Total value of fund as at 30.09.23 | \$181,463,845 |
| The date the fund started | 15.04.15 |

How has the fund performed?

| | Average over past 5 years | Past Year |
|---|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 1.73% | 4.73% |
| Annual return (after deductions for charges but before tax) | 2.16% | 5.99% |
| Market Index annual return (reflects no deduction for charges and tax) | 2.68% | 4.48% |

The market index is a composite index (25% NZBond Bank Bill Index (NZD), 30% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD), 20% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD), 15% MSCI ACWI IMI Net Total Return Index (NZD), 5% S&P/ASX All Ordinaries Accumulation Index (NZD), 5% S&P Global REIT Total Return Index (NZD)).

Additional information about the market index is available on the offer register.

What are the risks of investing?

Risk indicator for the Pie Conservative Fund ¹

| | | | | | | |
|-----------------------------|---|---|------------------------------|---|---|---|
| < Potentially Lower Returns | | | Potentially Higher Returns > | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| < Lower Risk | | | Higher Risk > | | | |

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

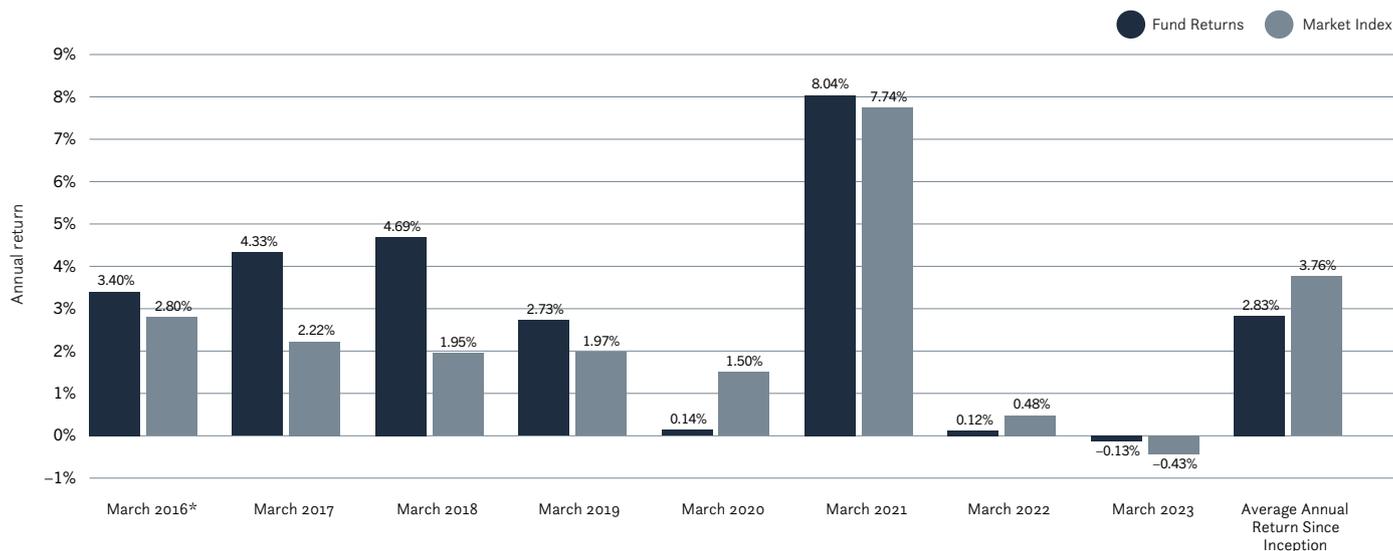
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler.

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 last five years. 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.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2023. 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.

*For the period 15 April 2015 - 31 March 2016

What fees are investors charged?

Investors in the Pie Conservative Fund are charged fund charges. In the year to 31 March 2023, these were:

| | % of net asset value |
|---|-------------------------------|
| Total fund charges | 0.73% |
| Which are made up of: | |
| Total management and administration charges | 0.73% |
| Including | |
| Manager's basic fee | 0.70% |
| Other management and administration charges (estimate) ² | 0.03% |
| Total performance-based fees | 0.00% |
| Other charges | \$ amount per investor |
| Other charges | \$0.00 |

Fees are exclusive of GST, if any.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds, although these are not currently charged by Pie Funds).

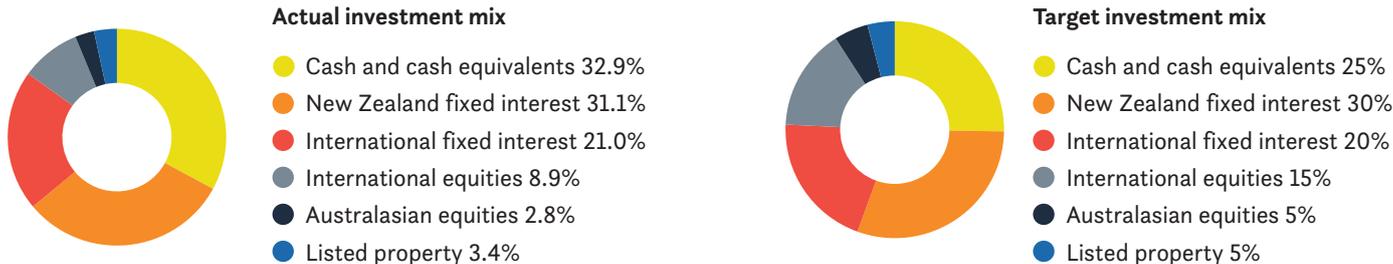
Example of how this applies to an investor

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

Lucy 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, Lucy incurred a gain after fund charges were deducted of \$599 (that is 5.99% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total gain after tax of \$473 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.³



Hedging: We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged foreign currency exposure (as a percentage of the total foreign currency exposure of the fund) is 86.38% (unhedged 13.62%).

Top 10 investments

| Name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|--|----------------------|------------------------------|---------|-------------------------------|
| 1 BNZ Call Account - NZD | 8.07% | Cash and cash equivalents | NZ | AA- |
| 2 Westpac Term Deposit | 5.71% | Cash and cash equivalents | NZ | AA- |
| 3 US Treasury Bond 4.125% 15/11/2032 | 5.39% | International fixed interest | US | AA |
| 4 Westpac Term Deposit | 4.58% | Cash and cash equivalents | NZ | AA- |
| 5 New Zealand Local Government Funding Agency Bond 4.5% 15/05/2030 | 2.91% | New Zealand fixed interest | NZ | AAA |
| 6 Westpac Term Deposit | 2.84% | Cash and cash equivalents | NZ | AA- |
| 7 Westpac Term Deposit | 2.29% | Cash and cash equivalents | NZ | AA- |
| 8 Westpac Term Deposit | 2.23% | Cash and cash equivalents | NZ | AA- |
| 9 NAB Call Account - USD | 2.14% | Cash and cash equivalents | AU | AA- |
| 10 Vector Corporate Bond 1.575% 06/10/2026 | 1.92% | New Zealand fixed interest | NZ | BBB |

The total value of the top 10 individual assets of the fund make up 38.08% of the net asset value of the fund.

Key personnel

| Name | Current position | Time in current position | Previous or other current position | Time in previous or other current position |
|----------------|---|--------------------------|---|--|
| Michael Taylor | Executive Director and Chief Investment Officer | 1 year and 6 months | Executive Director and Chief Executive Officer, Pie Funds | 15 years and 5 months |
| Travis Murdoch | Head of Fixed Income and Portfolio Manager | 0 years and 11 months | Portfolio Manager at Milford | 2 years and 1 month |

Further information

You can also obtain this information, the PDS for the Pie Conservative Fund, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

- During times of extreme market volatility, the risk may be greater than indicated. Past performance may not be reliable indicator for the risk of the fund.
- If Pie is unable to determine the non-related underlying fund charges, these have been estimated using the actual costs for the most recently available period for each underlying fund as a percentage of the average net asset value of the investment in the underlying fund.
- For further information on each of the asset classes refer to the PDS and the SIPO.