



Pie Funds Management Scheme  
Financial Statements  
For The Year Ended 31 March 2025

*Including the following Funds:*

Pie Australasian Growth Fund  
Pie Australasian Growth 2 Fund  
Pie Australasian Emerging Companies Fund  
Pie Australasian Dividend Growth Fund  
Pie Conservative Fund

## Statements of Comprehensive Income

\$ thousands		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
For the year ended 31 March	Notes	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Income</b>											
Interest income on financial assets at amortised cost		322	570	1,660	2,242	633	667	1,107	2,798	1,616	5,497
Dividend and distribution income		1,728	1,584	5,551	4,192	1,114	1,635	6,578	6,119	9	835
Foreign exchange gains/(losses)		100	63	21	24	(144)	(60)	86	168	(427)	336
Net gains/(losses) on financial instruments at fair value through profit or loss		16,152	21,974	15,736	46,314	20,620	25,394	(15,021)	75,987	5,795	7,941
Other income		-	-	-	-	-	-	11	1	-	31
<b>Total income/(loss)</b>		<b>18,302</b>	<b>24,191</b>	<b>22,968</b>	<b>52,772</b>	<b>22,223</b>	<b>27,636</b>	<b>(7,239)</b>	<b>85,073</b>	<b>6,993</b>	<b>14,640</b>
<b>Expenses</b>											
Management fees	7	1,916	1,402	6,729	4,596	2,449	2,195	6,708	5,940	1,828	1,422
Management fee rebates		-	-	-	-	-	-	-	-	(1,693)	(350)
Brokerage expense		168	109	672	409	350	256	908	538	16	136
Other expenses		-	1	-	-	-	-	-	-	-	1
<b>Total expenses</b>		<b>2,084</b>	<b>1,512</b>	<b>7,401</b>	<b>5,005</b>	<b>2,799</b>	<b>2,451</b>	<b>7,616</b>	<b>6,478</b>	<b>151</b>	<b>1,209</b>
<b>Net profit/(loss) attributable to Unitholders</b>		<b>16,218</b>	<b>22,679</b>	<b>15,567</b>	<b>47,767</b>	<b>19,424</b>	<b>25,185</b>	<b>(14,855)</b>	<b>78,595</b>	<b>6,842</b>	<b>13,431</b>
<b>Other comprehensive income</b>											
		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) attributable to Unitholders</b>		<b>16,218</b>	<b>22,679</b>	<b>15,567</b>	<b>47,767</b>	<b>19,424</b>	<b>25,185</b>	<b>(14,855)</b>	<b>78,595</b>	<b>6,842</b>	<b>13,431</b>

The notes form an integral part of, and should be read in conjunction with, these Financial Statements.

## Statements of Changes in Unitholders' Funds

\$ thousands For the year ended 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Unitholders' funds at the beginning of the year</b>	<b>93,667</b>	66,568	<b>261,955</b>	264,230	<b>126,936</b>	114,317	<b>365,370</b>	305,944	<b>181,337</b>	192,675
Total comprehensive income/(loss) attributable to Unitholders	<b>16,218</b>	22,679	<b>15,567</b>	47,767	<b>19,424</b>	25,185	<b>(14,855)</b>	78,595	<b>6,842</b>	13,431
Proceeds from units issued	<b>18,281</b>	17,116	<b>133,582</b>	15,351	<b>528</b>	2,064	<b>49,896</b>	40,439	<b>69,702</b>	24,034
Redemption of units	<b>(11,874)</b>	(12,564)	<b>(45,618)</b>	(64,912)	<b>(9,264)</b>	(14,575)	<b>(51,812)</b>	(52,291)	<b>(36,771)</b>	(43,863)
Distributions	-	-	-	-	-	-	<b>(9,218)</b>	(7,839)	<b>(4,651)</b>	(4,328)
Distributions reinvested	-	-	-	-	-	-	<b>1,036</b>	994	-	-
Unitholder attributed taxation	<b>(57)</b>	(132)	<b>(324)</b>	(481)	<b>72</b>	(55)	<b>(268)</b>	(472)	<b>(355)</b>	(612)
<b>Unitholders' funds at the end of the year</b>	<b>116,235</b>	93,667	<b>365,162</b>	261,955	<b>137,696</b>	126,936	<b>340,149</b>	365,370	<b>216,104</b>	181,337

  

Units (000) For the year ended 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Units on issue at the beginning of the year</b>	<b>12,395</b>	11,875	<b>100,442</b>	122,873	<b>19,322</b>	21,494	<b>77,479</b>	80,275	<b>152,750</b>	170,595
Units issued	<b>2,309</b>	2,513	<b>49,718</b>	6,780	<b>87</b>	368	<b>11,002</b>	10,204	<b>57,077</b>	20,799
Units redeemed	<b>(1,513)</b>	(1,993)	<b>(16,510)</b>	(29,211)	<b>(1,347)</b>	(2,540)	<b>(11,207)</b>	(13,000)	<b>(30,657)</b>	(38,644)
<b>Units on issue at the end of the year</b>	<b>13,191</b>	12,395	<b>133,650</b>	100,442	<b>18,062</b>	19,322	<b>77,274</b>	77,479	<b>179,170</b>	152,750

The accounting policies and other notes form part of, and should be read in conjunction with, these Financial Statements.

## Statements of Financial Position

\$ thousands As at 31 March	Notes	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Unitholders' funds</b>		<b>116,235</b>	<b>93,667</b>	<b>365,162</b>	<b>261,955</b>	<b>137,696</b>	<b>126,936</b>	<b>340,149</b>	<b>365,370</b>	<b>216,104</b>	<b>181,337</b>
<i>Represented by:</i>											
<b>Assets</b>											
Cash and cash equivalents		8,780	16,419	48,426	12,282	25,541	7,142	34,703	21,326	17,180	18,756
Term deposits		-	-	-	3,137	-	2,091	-	5,228	17,497	13,685
Trade and other receivables	8	388	236	3,106	1,277	4,198	1,723	7,962	1,989	5	2,654
Trade and other receivables from related parties	7	-	-	-	-	-	-	-	-	152	99
Unitholder tax rebates receivable		2	3	6	10	111	4	12	9	1	1
Financial assets at fair value through profit or loss	6	109,045	78,057	316,602	250,216	109,232	117,068	303,138	340,342	181,918	147,163
<b>Total assets</b>		<b>118,215</b>	<b>94,715</b>	<b>368,140</b>	<b>266,922</b>	<b>139,082</b>	<b>128,028</b>	<b>345,815</b>	<b>368,894</b>	<b>216,753</b>	<b>182,358</b>
<b>Less:</b>											
<b>Liabilities</b>											
Trade and other payables	9	1,265	209	637	2,565	432	10	3,478	201	34	109
Trade and other payables to related parties	7	180	143	603	405	219	199	559	567	169	140
Financial liabilities at fair value through profit or loss	6	494	567	1,668	1,708	735	870	1,610	2,436	79	253
Unitholder tax liabilities payable		41	129	70	289	-	13	19	320	367	519
<b>Total liabilities</b>		<b>1,980</b>	<b>1,048</b>	<b>2,978</b>	<b>4,967</b>	<b>1,386</b>	<b>1,092</b>	<b>5,666</b>	<b>3,524</b>	<b>649</b>	<b>1,021</b>
<b>Net assets attributable to Unitholders</b>		<b>116,235</b>	<b>93,667</b>	<b>365,162</b>	<b>261,955</b>	<b>137,696</b>	<b>126,936</b>	<b>340,149</b>	<b>365,370</b>	<b>216,104</b>	<b>181,337</b>

The accounting policies and other notes form part of, and should be read in conjunction with, these Financial Statements.

These Financial Statements were authorised for issue by the Manager, Pie Funds Management Limited.

For and on behalf of the Manager

Director

*McGlockwell*  
25 JUL 25

Director

*Shankar*  
25 JUL 25

Date

Date

## Statements of Cash Flows

\$ thousands		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
For the year ended 31 March	Notes	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Cash flows from operating activities											
Sale of investments		48,932	31,972	176,673	106,400	123,345	77,361	274,032	144,002	34,875	162,267
Interest received		354	617	1,655	2,455	601	842	1,313	2,814	1,815	5,037
Dividends and distributions received		1,541	1,458	4,788	4,193	1,052	1,160	6,920	5,539	10	911
Management fee rebates received		-	-	-	-	-	-	-	-	1,640	251
Other income received		-	-	-	-	-	-	11	1	-	31
Purchase of investments		(62,923)	(36,415)	(201,674)	(123,744)	(97,253)	(76,315)	(255,772)	(179,228)	(61,371)	(170,142)
Net movement in term deposit principal		-	4,600	3,000	17,900	2,000	2,300	5,000	18,400	(4,000)	16,000
Payment of expenses		(2,047)	(1,475)	(7,203)	(5,027)	(2,779)	(2,433)	(7,624)	(6,401)	(1,815)	(1,535)
Net cash (used in)/from operating activities	10	(14,143)	757	(22,761)	2,177	26,966	2,915	23,880	(14,873)	(28,846)	12,820
Cash flows from financing activities											
Contributions received		18,281	17,116	105,309	15,350	527	2,064	44,367	35,516	67,775	22,373
Withdrawals paid		(11,733)	(12,551)	(45,886)	(65,730)	(8,919)	(14,572)	(51,914)	(52,421)	(36,846)	(44,124)
Distribution to Unitholders		-	-	-	-	-	-	(2,470)	(2,105)	(2,725)	(2,667)
Net Unitholder attributed taxation		(144)	(130)	(539)	(1,245)	(48)	(412)	(572)	(1,265)	(507)	(357)
Net cash from/(used in) financing activities		6,404	4,435	58,884	(51,625)	(8,440)	(12,920)	(10,589)	(20,275)	27,697	(24,775)
Net (decrease)/increase in cash		(7,739)	5,191	36,123	(49,449)	18,526	(10,005)	13,291	(35,149)	(1,149)	(11,954)
Cash and cash equivalents at the beginning of the year		16,419	11,165	12,282	61,707	7,142	17,207	21,326	56,307	18,756	30,374
Effect of exchange rate fluctuations		100	63	21	24	(127)	(60)	86	168	(427)	336
Cash and cash equivalents at the end of the year		8,780	16,419	48,426	12,282	25,541	7,142	34,703	21,326	17,180	18,756

The accounting policies and other notes form part of, and should be read in conjunction with, these Financial Statements.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 1. GENERAL INFORMATION

### Reporting entity

These Financial Statements have been prepared for the following reporting entities: Pie Australasian Growth Fund, Pie Australasian Growth 2 Fund, Pie Australasian Emerging Companies Fund, Pie Australasian Dividend Growth Fund and Pie Conservative Fund ("the Funds"). The Funds commenced operations on 3 December 2007, 6 August 2015, 2 April 2013, 16 September 2011 and 15 April 2015 respectively. The Funds are domiciled in New Zealand and the registered office is Level One, 1 Byron Avenue, Takapuna, Auckland.

The Manager of the Funds is Pie Funds Management Limited ("the Manager"). On 1 September 2015 the Financial Markets Authority ("FMA") issued a licence to the Manager to provide managed investment schemes manager services. The licence conditions were amended in March 2019 with the expiry date being removed and replaced by a specific condition that Pie Funds Management Limited must maintain the same or better standard of capability, governance and compliance as was the case when the FMA assessed its application.

The Supervisor of the Funds is Trustees Executors Limited ("the Supervisor") and is licenced under the Financial Market Supervisors Act 2011. Their current licence expires on 16 January 2028.

The principal activity of the Funds is described below:

- \* The Pie Australasian Growth Fund invests predominantly in listed Australian and New Zealand smaller sized growth companies.
- \* The Pie Australasian Growth 2 Fund invests predominantly in listed Australian and New Zealand smaller and medium sized companies.
- \* The Pie Australasian Emerging Companies Fund invests predominantly in listed Australian and New Zealand emerging companies.
- \* The Pie Australasian Dividend Growth Fund invests predominantly in listed Australian and New Zealand smaller and medium sized growth companies.
- \* The Pie Conservative Fund invests predominantly in fixed interest securities and some cash, with an allocation to equities (directly or through other products issued by Pie Funds).

The Financial Statements cover the year ended 31 March 2025. Comparative information has been provided for the year ended 31 March 2024.

### Statutory base

The Pie Funds Management Scheme is registered under the Financial Market Conduct Act 2013 (FMC Act) as a Managed Investment Scheme. The scheme is a trust vehicle governed by a Government Document dated 20 July 2016 (as amended 03 June 2022).

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

These Financial Statements have been prepared in accordance with the provisions of the Governing Document and the Financial Markets Conduct ("FMC") Act 2013 and in accordance with Generally Accepted Accounting Practice in New Zealand ("GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate to for-profit entities. The Financial Statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards").

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The methods used to measure fair values are discussed further below. The accrual basis of accounting has been applied, as has the going concern assumption.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

#### (a) Standards and amendments to existing standards effective 1 April 2024

##### *Disclosure of Fees for Audit Firms' Services - Amendments to FRS-44*

Effective for annual periods beginning on or after 1 January 2024, the amendments to FRS-44 require entities to disclose fees incurred for services provided by their audit or review firm. These amendments aim to enhance the transparency and consistency of fee disclosures. The amendments have been applied to the Financial Statements of the Funds, and the fees have been disclosed in the note 7.

Other than the above there are no standards, amendments to standards or interpretations that are effective for the year commencing on 1 April 2024 that have a material effect on the Financial Statements of the Scheme and the Funds.

#### (b) Standards not yet issued and not yet effective

##### *NZ IFRS 18 - Presentation and Disclosure in Financial Statements*

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. The Funds have not early adopted this standard and is yet to assess its impacts.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2024 have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

### 2.2 Functional and presentation currency

The Financial Statements are presented in New Zealand dollars (\$), which is the Funds' functional currency, on the basis that the Funds' investors are mainly based in New Zealand, with the contributions and withdrawals denominated in New Zealand dollars. All financial information presented has been rounded to the nearest one thousand dollars.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### 2.3 Financial instruments

#### (a) Classification

##### **Financial assets**

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost.

##### *(i) Financial assets at fair value through profit or loss*

Financial assets at fair value through the profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9, 'Financial Instruments'. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. All investments are measured at fair value through profit or loss. As there are no financial instruments designated at fair value upon initial recognition in the Funds, all financial assets measured at fair value are those mandatorily measured at fair value. Financial assets at fair value through the profit or loss comprise of equities, listed and unlisted unit trusts, equity futures, equity options and forward exchange contracts.

##### *(ii) Financial assets at amortised cost:*

**Cash and cash equivalents** include cash in hand, deposits held at call with banks, deposits and overdrawn balances with brokers in New Zealand dollars and foreign currencies.

**Term deposits** are debt instruments where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further the "hold to collect" model will be applied for these financial assets due to the following: collection of contractual cash flows is not incidental, there's no intention to sell these assets and they are used to effectively manage cash reserves. On this basis, the fair value option will not be applied and term deposits are classified as financial assets at amortised cost.

**Unsettled investment sales** included in trade and other receivables, are receivables for securities sold but not yet settled on the Statements of Financial Position at balance sheet date. The unsettled trade receivable balance is held for collection.

**Receivables, other than unsettled investment sales**, include margin accounts interest, contributions receivable, dividends receivable and due from brokers. Cash collateral provided by the Funds is identified as margin accounts and not included as a component of cash and cash equivalents.

##### **Financial liabilities**

##### *(i) Financial liabilities at fair value through profit or loss:*

Financial liabilities at fair value through the profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. Consequently, all financial liabilities are measured at fair value through profit or loss. All financial liabilities measured at fair value are those mandatorily measured at fair value. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

##### *(ii) Financial liabilities at amortised cost*

**Payables** other than unsettled investment purchases are amounts representing liabilities and accrued expenses owing by the Funds at year end. These amounts include related party fees payable, distributions payable, withdrawals payables, margin accounts and due to brokers.

**Unsettled investment purchases** included in trade and other payables, are payables for securities purchased but not yet settled on the Statements of Financial Position at balance sheet date.

#### **(b) Recognition, measurement and derecognition**

##### **Financial assets and liabilities at fair value through profit or loss**

The Funds recognise financial assets and financial liabilities on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at fair value through profit or loss are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through the profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statements of Comprehensive Income when they arise. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statements of Comprehensive Income in the period the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item. Interest and dividend income are separately recognised in the Statements of Comprehensive Income. Purchases and sales of investments are recognised on the trade date, the date on which the Funds commit to purchase or sell the investment.

##### **Financial assets and liabilities at amortised cost**

The Funds recognise financial assets and liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have been expired or the Funds have transferred all of the risks and rewards of ownership. This occurs upon maturity or disposal of asset. Financial liabilities at amortised cost are derecognised when the obligation under liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance of the financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12 months' of expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy of financial reorganisation and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired. There is a risk of non-recovery.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### 2.4 Revenue recognition

- (a) Dividend and distribution income are recognised in the Statements of Comprehensive Income when the Funds' right to receive payment is established.
- (b) Interest income is recognised as interest accrues using the effective interest rate method. Interest income is earned on the short term deposits held at the bank.
- (c) Gains or losses on financial assets at fair value through profit or loss are recognised in the Statements of Comprehensive Income as disclosed in note 2.3 above.
- (d) Foreign exchange gains and losses on cash and financial instruments at fair value through profit or loss are recognised in the Statements of Comprehensive Income as disclosed in note 2.10 below.
- (e) Underwriting income is recognised in the Statements of Comprehensive Income when the Funds' right to received payment is established.
- (f) Dividend and interest income is disclosed gross of any foreign withholding or resident withholding taxes deducted at source in the Statements of Comprehensive Income. The foreign withholding tax and resident withholding tax are included in tax credits and allocated to the Unitholders under the Portfolio Investment Entities (PIE) regime and included in the Tax payables or receivable on behalf of unitholders in the Statements of Financial Position.

### 2.5 Fair value hierarchy

The carrying amounts of the Funds' assets and liabilities at the balance date are their fair values. Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. The Funds recognise transfers between levels of the fair value hierarchy as at the end of the financial reporting period during which the change has occurred.

#### *Level one- fair value in active market*

The fair value of financial assets and liabilities traded in active markets for the same instruments is based on their quoted market prices at balance date without any deduction for estimated future selling costs. Financial assets are priced at current last sale prices. Where the last sale price falls outside the bid-ask spread for a particular stock, the bid price will be used to value the investment.

#### *Level two- fair value in an inactive or unquoted market using valuation techniques and observable market data*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which any significant inputs are based on observable market data.

#### *Level three- fair value in an inactive or unquoted market using valuation techniques without observable market data*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which any significant inputs are not based on observable market data.

### 2.6 Expenses

Expenses comprise management fees that are calculated on a daily basis on the net asset value ("NAV") (previously calculated on daily basis on gross asset value ("GAV") up until 27 October 2023) of the fund and paid monthly and used to cover administration fees, custody and accounting fees, registry fees, supervisor fees, audit fees and other sundry expenses. Expenses furthermore comprise of brokerage and bank fees. Brokerage expenses can include commission paid on a share transaction (known as soft dollar commission) to be set aside and used by the manager to purchase research that will enhance the investment decision making process. While soft dollars can be allocated to pay for research, they cannot be redeemed or refunded to Pie Funds or the funds they manage. All other fees are paid by the manager and recognised on payment when they arise.

### 2.7 Taxation

The Funds are Portfolio Investment Entities (PIEs). Under the PIE regime income is effectively taxed in the hands of the Unitholders and therefore the Funds have no tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income.

Under the PIE regime, the Manager attributes the taxable income of the Funds to Unitholders in accordance with the proportion of their overall interest in the Funds. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" which is capped at 28%. The Manager accounts for tax on behalf of natural persons and certain corporate Unitholders and undertakes any necessary adjustments to the Unitholders' interest in the Funds to reflect that the Funds pay tax at varying rates on behalf of Unitholders.

Unitholders' funds have been adjusted to reflect the impact of tax on the value of unit holdings.

The tax attributable to Unitholders is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. The manager periodically evaluates positions taken in attributing taxable income to Unitholders with respect to situations in which applicable tax regulations are subject to interpretation.

### 2.8 Goods and services tax ("GST")

The Funds are not registered for GST. All items in the Statements of Comprehensive Income and Statements of Financial Position are stated inclusive of GST.

### 2.9 Statements of Cash Flows

Definitions of the terms used in the Statements of Cash Flows are:

- (a) Operating activities include all transactions and other events that are not financing activities. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Funds' main income generating activity.
- (b) Financing activities are those activities that result in changes in the size and composition of Unitholders' funds. This includes elements of Unitholders' funds not falling within the definition of cash. Distributions paid in relation to Unitholders' funds are included in financing activities.
- (c) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.



# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

### 2.10 Foreign currency

Transactions denominated in foreign currencies are recognised at the exchange rates at the date of the transactions. Assets and liabilities as at balance date denominated in foreign currencies are translated at the foreign currency exchange rates at that date. Realised and unrealised exchange gains and losses during the year are recognised in the Statements of Comprehensive Income. Foreign exchange gains and losses on cash at bank and outstanding settlements are included in Foreign exchange gains/(losses) in the Statements of Comprehensive Income.

### 2.11 Distributions

In accordance with the Funds' Governing Document, the Manager has full discretion as to whether to distribute any net income of the Funds. Income that is not distributed is invested as part of the assets of the Funds or may also be used to make later distributions to Unitholders. Distributions to Unitholders are recognised in the Financial Statements in the year in which the distributions are approved by the Manager.

### 2.12 Applications and redemptions

The application and redemption prices are determined as the net asset value of the Funds divided by the number of units on issue on the date of the application or redemption. The Manager may, in certain circumstances, suspend the redemption of units if the Manager believes it is not practical or would be materially prejudicial to the interests of the Unitholders for units to be redeemed.

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### 2.14 Unitholder's funds

The Funds issue units which are redeemable at the holder's option and are classified as equity. Net assets attributable to Unitholders meets the definition of an equity instrument as:

- (i) Unitholders are entitled to a pro rate share of the Funds' net assets in the event of the Funds' liquidation or maturity,
- (ii) apart from the contractual obligation of the issuer to redeem the instrument for cash or another financial asset, the instrument does not include contractual obligations to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under potentially unfavourable conditions to the entity, and
- (iii) the total expected cash flows attributable to the instrument over its life is based substantially on the profit or loss and changes in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the entity over the life of the instrument.

### 2.15 Related Parties

A party is related to the Funds if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Funds;
- (b) it is a parent, subsidiary or fellow subsidiary of a party defined in (a) above;
- (c) it has an interest in or relationship with the funds that gives it significant influence over the Funds; or
- (d) it is controlled by or may be significantly influenced by another party which also has control or significant influence over the Funds; or
- (e) the Funds have an interest in or relationship with the party that gives significant influence over the party; or
- (f) they are a member of the Manager's key management personnel.

### 2.16 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements. For the year ended 31 March 2023, management fee rebates were presented as part of Income; in the Financial Statements for the year ended 31 March 2024, comparatives have been reclassified from Income to Expenses. There is no impact on the Total comprehensive income/(loss) attributable to Unitholders in the Statements of Comprehensive Income.

## 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Funds' accounting policies. The Manager has applied its judgement in selecting the accounting policy to designate financial assets at fair value through profit or loss upon initial recognition. This policy has significant impact on the amounts disclosed in the Financial Statements.

The Manager has also used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value in its entirety. The significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable input that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. Refer to note 5.5 for further details.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 4. OFFSETTING

The Funds are subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparty, ANZ ("ANZ Bank New Zealand"). According to the terms of the ISDA arrangements with the respective counterparties all the derivatives are settled on a net basis.

The following table presents the recognised financial assets and liabilities that are subject to offsetting, or subject to enforceable master netting arrangements or other similar agreements but not offset, as at 31 March. The 'Net amount' row shows what the net position for each derivative type would be if all offset rights were exercised.

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>Financial assets:</i>											
Amounts subject to offsetting:	Gross assets	-	-	-	-	7	-	-	-	-	-
	Gross liabilities offset	-	-	-	-	-	-	-	-	-	-
	Net amounts presented	-	-	-	-	7	-	-	-	-	-
Amounts not offsetting:	Financial instruments	-	-	-	-	(7)	-	-	-	-	-
	Cash collateral	-	-	-	-	-	-	-	-	-	-
	Net amount	-	-	-	-	-	-	-	-	-	-
<i>Financial liabilities:</i>											
Amounts subject to offsetting:	Gross liabilities	(494)	(567)	(1,668)	(1,708)	(620)	(870)	(1,610)	(2,436)	(79)	(253)
	Gross assets offset	-	-	-	-	-	-	-	-	-	-
	Net amounts presented	(494)	(567)	(1,668)	(1,708)	(620)	(870)	(1,610)	(2,436)	(79)	(253)
Amounts not offsetting:	Financial instruments	-	-	-	-	7	-	-	-	-	-
	Cash collateral	-	-	-	-	-	-	-	-	-	-
	Net amount	(494)	(567)	(1,668)	(1,708)	(613)	(870)	(1,610)	(2,436)	(79)	(253)

### 4.1 Offsetting and amounts subject to master netting arrangements and similar agreements

Per the terms of the ISDA agreement each party has the option to settle all open contracts on a net basis in the event of default by the other party. The ISDA agreement defines an event of default as including the following:

\* failure by a party to make a payment when due

\* failure by a party to perform an obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party

\* bankruptcy

The related amounts not set-off in the Statements of Comprehensive Income represent amounts that have not been offset in the Statements of Comprehensive Income but could be expected to be offset in the event of default by either the Fund or its counterparty to the derivative contract. For financial instruments this is the maximum value of assets and liabilities that could be offset. For cash collateral (2025: nil, 2024: nil), this is the value of cash that could be withheld by the counterparty to settle derivatives.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT

The Funds are subject to a number of financial risks which arise as a result of its activities, including: market risk, liquidity risk and credit risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance.

### 5.1 Market risk

#### (a) Price risk

Price risk is the risk that the fair value or future cash flows of non-monetary financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market. All equity investments present a risk of loss of capital often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The Manager moderates this risk through careful stock selection and diversification, daily monitoring of the Funds' market position and adherence to the Funds' investment policies. The investment policies state that the maximum holding in any company is 20% of the value of each Fund.

Where non-monetary financial instruments, for example, equity securities are denominated in currencies other than New Zealand dollars, the price initially expressed in foreign currency and then converted into New Zealand dollars will also fluctuate because of changes in foreign exchange rates. Paragraph (c) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The maximum market risk resulting from financial instruments is determined by their fair value.

#### Sensitivity analysis

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in equity prices.

The table below summarises the sensitivity of the Funds' net assets attributable to Unitholders to price movements in the Funds' investments in listed equities, unit trusts and listed derivatives (for example futures and options) as at 31 March 2025 and 31 March 2024. If the price had increased or decreased by 10% with all other variables held constant, this would have had the following impact on the Statements of Comprehensive Income and Net Assets Attributable to

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Funds</b>	<b>109,045</b>	78,057	<b>316,602</b>	250,216	<b>109,232</b>	116,640	<b>303,138</b>	340,342	<b>181,918</b>	147,163
Impact of a +10% change in equity prices	<b>10,905</b>	7,806	<b>31,660</b>	25,022	<b>10,923</b>	11,664	<b>30,314</b>	34,034	<b>18,192</b>	14,716
Impact of a -10% change in equity prices	<b>(10,905)</b>	(7,806)	<b>(31,660)</b>	(25,022)	<b>(10,923)</b>	(11,664)	<b>(30,314)</b>	(34,034)	<b>(18,192)</b>	(14,716)

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments which subject the Funds to interest rate risk are short term cash deposits and fixed interest securities. The Funds hold cash and cash equivalents and term deposits that expose them to cash flow interest rate risk. The Funds hold fixed interest securities that expose them to fair value interest rate risk.

The Manager may hedge the exposure to interest fluctuations. The Funds may also indirectly be exposed to interest rate risk through their investments in other PIE Managed Funds, which forms part of the price risk sensitivity above.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.1 Market risk (Continued)

#### (b) Interest rate risk (Continued)

##### Cash flow sensitivity analysis

A change in interest rates impacts the cash flow of the Funds' cash and cash equivalents as well as term deposits by increasing or decreasing the amount of interest received. The one year cash flow sensitivity to the basis points movement in interest rates (based on assets held at reporting date), with all other variables held constant, is shown in the following table:

A variable of 100 basis points (1%) (2024: 100 basis points (1%)) was selected in 2025 as this is a reasonable expected movement based on past overnight cash rate movements.

The following table shows the sensitivity of profit for the year and sensitivity of Unitholders' funds to reasonably possible changes in interest rates at 31 March with all other variables held constant.

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Cash and cash equivalents</b>	Carrying amount	8,780	16,419	48,426	12,282	25,541	7,142	34,703	21,326	17,180	18,756
	Impact of a +1% change in interest rates	88	164	484	123	255	71	347	213	172	188
	Impact of a -1% change in interest rates	(88)	(164)	(484)	(123)	(255)	(71)	(347)	(213)	(172)	(188)
<b>Term deposits</b>	Carrying amount	-	-	-	3,137	-	2,091	-	5,228	17,497	13,685
	Impact of a +1% change in interest rates	-	-	-	31	-	21	-	52	175	137
	Impact of a -1% change in interest rates	-	-	-	(31)	-	(21)	-	(52)	(175)	(137)

Unitholders' funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to Unitholders.

##### Fair value interest rate risk

A variable of 100 basis points (1%) (2024: 100 basis point (1%)) was selected in 2025 for fair value interest risk as this is a reasonably expected movement based on historic trends in interest rates.

The following table shows the sensitivity of profit for the year and sensitivity of Unitholders' funds to reasonably possible changes in interest rate at 31 March with all other variables held constant:

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Convertible notes</b>	Carrying amount	-	-	-	-	-	130	-	-	-	-
	Impact of a +1% change in interest rates	-	-	-	-	-	-	-	-	-	-
	Impact of a -1% change in interest rates	-	-	-	-	-	-	-	-	-	-

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.1 Market risk (Continued)

#### (c) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Funds are exposed to foreign exchange risk through holding Australian dollar and other foreign currency denominated financial instruments. The Funds may also be indirectly exposed to foreign exchange risk through their investments in other PIE Managed Funds. The Manager actively manages all currency exposure and may hedge the exposure to currency fluctuations. Although it is not the intention of management to hedge all currency fluctuation exposures, they reserve the right to do so at their discretion.

#### Sensitivity Analysis

At the reporting date the Fund had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Monetary assets/(liabilities)</b>										
Australian Dollar (AUD)	(81,650)	(46,135)	(236,911)	(156,922)	(80,882)	(74,879)	(236,647)	(216,717)	2	779
United States Dollar (USD)	-	-	10	-	-	-	3	1	(2,865)	(12,595)
Euro (EUR)	-	-	-	-	-	-	-	-	-	223
British Pound (GBP)	-	-	-	-	-	-	-	-	-	(1,126)
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	-	822

The table below summarises the impact on the Statements of Comprehensive Income and Changes in Unitholders' Funds on monetary assets and liabilities at the reporting date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Monetary assets/(liabilities)</b>										
<i>Exchange rates increased by 10%</i>										
Australian Dollar (AUD)	7,423	4,194	21,537	14,266	7,353	6,807	21,513	19,702	-	(71)
United States Dollar (USD)	-	-	(1)	-	-	-	-	-	260	1,145
Euro (EUR)	-	-	-	-	-	-	-	-	-	(20)
British Pound (GBP)	-	-	-	-	-	-	-	-	-	102
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	-	(75)
<i>Exchange rates decreased by 10%</i>										
Australian Dollar (AUD)	(9,072)	(5,126)	(26,323)	(17,436)	(8,987)	(8,320)	(26,294)	(24,080)	-	87
United States Dollar (USD)	-	-	1	-	-	-	-	-	(318)	(1,399)
Euro (EUR)	-	-	-	-	-	-	-	-	-	25
British Pound (GBP)	-	-	-	-	-	-	-	-	-	(125)
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	-	91

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## (c) Foreign exchange risk (continued)

At the reporting date the Fund had the following foreign currency exposures due to holdings of non-monetary assets and liabilities (expressed in NZD equivalents):

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Non-monetary assets/(liabilities)</b>										
Australian Dollar (AUD)	102,722	74,456	296,884	243,165	106,159	115,419	295,213	340,342	-	-
United States Dollar (USD)	-	-	-	-	(78)	-	-	-	3,025	12,676
British Pound (GBP)	-	-	-	-	-	-	-	-	-	1,407

The table below summarises the impact on the Statements of Comprehensive Income and Changes in Unitholders' Funds on non-monetary assets and liabilities at the reporting date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Non-monetary assets/(liabilities)</b>										
<i>Exchange rates increased by 10%</i>										
Australian Dollar (AUD)	(9,338)	(6,769)	(26,989)	(22,106)	(9,651)	(10,493)	(26,838)	(30,940)	-	-
United States Dollar (USD)	-	-	-	-	7	-	-	-	(275)	(1,152)
British Pound (GBP)	-	-	-	-	-	-	-	-	-	(128)
<i>Exchange rates decreased by 10%</i>										
Australian Dollar (AUD)	11,414	8,273	32,987	27,018	11,795	12,824	32,801	37,816	-	-
United States Dollar (USD)	-	-	-	-	(9)	-	-	-	336	1,408
British Pound (GBP)	-	-	-	-	-	-	-	-	-	156

The Manager considers the main risk of climate change to be the indirect impact on the fair value of financial instruments. The Manager considers that the market prices of financial instruments factor in climate change impacts and consider climate-related risks and opportunities as part of the investment process. As such, no specific adjustment has been made to balances or transactions in these financial statements as a result of climate change.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.2 Liquidity risk

Liquidity risk is the risk that the Funds will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding liquid investments to meet liabilities as they fall due and unit redemptions and repurchases when requested. The majority of securities are listed on global exchanges and are readily saleable. In accordance with the Funds' policies, the Investment Manager monitors the Funds' liquidity position on a daily basis.

The Funds' investment policies do not state a minimum required level of liquid investments. The Funds' financial liabilities consist of trade and other payables and derivatives which are short term in nature and classified as a current liability at reporting date. Current liabilities of financial derivative instruments consist of the fair value of forward exchange contracts and future contracts. The current fair value represents the estimated cash flow that may be required to dispose of positions. Future cash flows of the Funds and realised liabilities may differ from current liabilities based on future changes in market conditions.

The table below shows the remaining undiscounted contractual cash flows over their respective maturities for the Fund's financial liabilities:

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Financial liabilities at fair value through profit or loss</b>										
Less than one year	494	567	1,668	1,708	735	870	1,610	2,436	79	253
<b>Trade and other payables</b>										
Less than one year	1,265	209	637	2,565	432	10	3,478	201	34	109
<b>Related party payables</b>										
Less than one year	180	143	603	405	219	199	559	567	169	140

### 5.3 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Funds. The Funds may require collateral or other security to support financial instruments with credit risk. Financial instruments that subject the Funds to credit risk consist primarily of cash and cash equivalents, margin accounts, term deposits and trade and other receivables including amounts receivable for unsettled investment trades, dividends receivable and contributions receivable.

The Funds' policy is to invest in term deposits with counterparties of credit rating of BBB/Baa or higher designated by a well-known rating agency. The Funds may also invest in unrated assets where a rating is assigned by the Manager using an approach that is consistent with the approach used by that rating agency.

#### (a) Credit quality

The following table sets out the equivalent Standard & Poor's credit rating for cash and cash equivalents, term deposits, convertibles notes and equity options where there is no Standard & Poor rating, Fitch rating is used.

\$ As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Cash and cash equivalents</b>											
Rating Category	AA-	8,780	16,419	48,426	12,282	25,541	7,142	34,703	21,326	17,180	18,756
Rating Category	A-	-	-	-	-	-	-	-	-	-	-
<b>Term Deposits</b>											
Rating Category	AA- AA AA+	-	-	-	3,137	-	2,091	-	5,228	17,497	13,685
<b>Convertible Notes</b>											
Rating Category	NR	-	-	-	-	-	130	-	-	-	-

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.3 Credit risk (Continued)

As at 31 March 2025 there were no financial assets past due or impaired (31 March 2024:nil).

All other receivables including amounts due from brokers are held by parties which Management considers having a strong capacity to meet their contractual obligations in the near term.

The Funds also restricts their exposure to credit losses on the trading derivatives it holds by entering into International Swap and Derivatives Association (ISDA) arrangements with their counterparties with whom it undertakes a derivative transactions. The arrangements do not result in an offset of assets and liabilities in the Statements of Financial Position as transactions usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by the arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The overall exposure to credit risk on derivative instruments subject to such arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. Investments in unlisted funds are into funds of this Scheme managed by the Manager.

The maximum credit risk of financial instruments is considered to be the carrying amount on the Statements of Financial Position. The risk of non-recovery of financial assets is considered to be minimal due to the quality of counterparties dealt with. In accordance with the Funds' policy, the investment manager monitors the Fund's credit positions on a daily basis. The Risk & Compliance Committee reviews on a quarterly basis.

The Funds' Manager measures credit risk and expected credit losses using the probability of default, exposure at default and loss given default.

At balance date, the credit risk has not increased significantly for any of the financial assets at amortised cost since initial recognition. As a result, the Manager measured the loss allowance at an amount equal to 12 month expected credit losses. Management, depending on the nature and type of financial assets at amortised cost, considers both the historical and forward looking information, the liquidity and duration of the instrument, the credit ratings of the counterparty in determining any expected credit losses.

As at 31 March 2025 and 31 March 2024:

All other receivable balances and amounts due from brokers are held by with counterparties are due to be settled within 1 month with counterparties which Management considers having a strong capacity to meet their contractual obligations in the near term. Cash, margin accounts and term deposits and any interest accruals on any of these instruments are highly liquid and held with counterparties with good credit ratings. The duration of the short term deposits are all less than 12 months and the Manager has no historical information or forward looking information which suggests that there is any losses to be recognised.

The Manager therefore considers the expected credit losses for all the financial assets held at amortised cost held by the Funds to be close to zero. As a result no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

### 5.4 Capital risk management

The Funds manage their Unitholders' funds as capital. All units in the Funds carry the same rights and preferences and restrictions.

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Unitholders funds \$'000	116,235	93,667	365,162	261,955	137,696	126,936	340,149	365,370	216,104	181,337
Units '000	13,191	12,395	133,650	100,442	18,062	19,322	77,274	77,479	179,170	152,750

The Funds have no restrictions or specific capital requirements on the application for or withdrawal of units. It is impractical to predict when Unitholders expect to withdraw and the Funds are exposed to daily cash withdrawals. They therefore primarily hold investments that are traded in an active market and can be easily disposed of. The Manager may, in certain circumstances, suspend withdrawals if the Manager believes it is not practical or would be prejudicial to the interests of the Unitholders for the withdrawal to be made.

The Manager has discretion as to whether to distribute any net income of each Fund. Income that is not distributed is invested as part of assets of the Funds or may also be used to make later distributions to investors. The Funds' distributions during the year were as follows:

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Distributions	-	-	-	-	-	-	9,218	7,839	4,651	4,328



# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.5 Fair value estimation

NZ IFRS 13 *Fair Value Measurement* requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- \* Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- \* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- \* Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities (by class) measured at fair value at year end:

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Level 1 assets</b>										
New Zealand equities	6,323	3,601	19,718	7,051	3,037	1,519	7,925	-	-	-
Australian equities	102,694	74,456	296,884	243,165	106,150	115,121	295,213	340,342	-	-
International equities	-	-	-	-	-	-	-	-	-	14,083
Listed International managed funds	-	-	-	-	-	-	-	-	3,025	-
International futures	-	-	-	-	7	-	-	-	-	-
<b>Total level 1 assets</b>	<b>109,017</b>	<b>78,057</b>	<b>316,602</b>	<b>250,216</b>	<b>109,194</b>	<b>116,640</b>	<b>303,138</b>	<b>340,342</b>	<b>3,025</b>	<b>14,083</b>
<b>Level 2 assets</b>										
New Zealand PIE funds	-	-	-	-	-	-	-	-	178,893	132,951
Preference shares	-	-	-	-	-	-	-	-	-	129
Equity options	28	-	-	-	38	298	-	-	-	-
<b>Total level 2 assets</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>298</b>	<b>-</b>	<b>-</b>	<b>178,893</b>	<b>133,080</b>
<b>Level 3 assets</b>										
Convertible notes	-	-	-	-	-	130	-	-	-	-
<b>Total level 3 assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>109,045</b>	<b>78,057</b>	<b>316,602</b>	<b>250,216</b>	<b>109,232</b>	<b>117,068</b>	<b>303,138</b>	<b>340,342</b>	<b>181,918</b>	<b>147,163</b>
<b>Level 1 liabilities</b>										
International futures	-	-	-	-	115	-	-	-	-	-
<b>Total level 1 liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Level 2 liabilities</b>										
Forward foreign exchange contracts	494	567	1,668	1,708	620	870	1,610	2,436	79	253
<b>Total level 2 liabilities</b>	<b>494</b>	<b>567</b>	<b>1,668</b>	<b>1,708</b>	<b>620</b>	<b>870</b>	<b>1,610</b>	<b>2,436</b>	<b>79</b>	<b>253</b>
<b>Total financial liabilities at fair value through profit or loss</b>	<b>494</b>	<b>567</b>	<b>1,668</b>	<b>1,708</b>	<b>735</b>	<b>870</b>	<b>1,610</b>	<b>2,436</b>	<b>79</b>	<b>253</b>

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

The fair value of equities and listed managed funds is determined using quoted market prices in an active market. This measurement basis falls within level 1 of the fair value hierarchy. Where a listed equity has been suspended from the exchange trades on, the Manager has estimated its fair value using the market data that is available and the fund administrator's internal valuation models. This measurement basis falls within level 3 of the fair value hierarchy as significant inputs to the estimated fair value are not based on observable market data.

The fair value of New Zealand PIE funds are determined using the redemption price as supplied by the Manager on daily basis. The measurement falls within level 2 of the fair value hierarchy as all inputs used to calculate the fair value are based on observable market data.

The fair value of fixed interest securities that are not actively traded on an exchange are determined using valuation techniques. Valuation techniques include benchmark models, net present value techniques, comparison to similar instruments for which market observable prices exist and valuation models. This measurement falls within level 2 of the fair value hierarchy as all significant inputs used to calculate the fair value are based on observable market data.

The fair value of forward foreign exchange contracts is calculated from spot exchange rates and forward exchange rates and forward points supplied by VM/Reuters. This measurement basis falls within level 2 of the fair value hierarchy as all inputs used to calculate the fair value are based on observable market data.

The level 3 investments at 31 March 2025 and 31 March 2024 in the Pie Australasian Growth Fund are investments in Southern Cross Payment Limited (ISX, formerly iSignthis Limited) and Palla Pharma Limited (PAL).

During the financial year of 31 March 2020 Southern Cross Payment Limited (ISX) was suspended from quotation on the ASX. A conservative approach was taken to fully impair the financial asset down to a \$nil value. The Manager considered the impairment applied to be in line with the unit pricing and valuation policy especially with the information currently available that suggests an unlikely realisation of any value.

During the financial year of 31 March 2022, Palla Pharma Limited (PAL) entered into voluntary administration and with little known about the state of its likely recovery, a conservative approach was taken to fully impair the financial asset down to a \$nil value. The Manager considers the impairment applied to be in line with the unit pricing and valuation policy especially with the information currently available that suggests an unlikely realisation of any value.

The level 3 investments as at 31 March 2025 in the Pie Australasian Emerging Companies Fund include investments in Universal Equivalent Technology Ltd and Orbx Investments Ltd issued by a private company.

Orbx Investment Limited Convertible Notes were issued by a private company. During the financial year of 31 March 2025, Orbx convertible notes converted into Orbx Limited ordinary shares. After compulsory acquisition by Design Milk Co Limited (DMC) by ratio of 0.494 New DMC shares for every 1 Orbx Share, its name was changed to Orbx Holdings Limited. Orbx was revalued twice during the year and the Manager considers the value applied to be in line with the unit pricing and valuation policy. The value of the convertible note was reduced down to AUD\$25,768 on 08/11/2024. The value of shares were written down to zero on 31/03/2025.

Universal Equivalent Technology Limited (AXL) is in voluntary administration with little known about the state of its likely recovery and final dividend, a conservative approach was taken to fully impair the financial asset down to a \$nil value. The Manager considers the impairment applied to be in line with the unit pricing and valuation policy especially with the information currently available that suggests an unlikely realisation of any value.

The following table presents the valuation techniques and significant unobservable inputs used in the fair value measurement in level 3 investments. A reasonable shift of +/-10% has been selected as per Pie's Asset Pricing and Unit Valuation Policy.

Industry	Fair Value as at 31 March 2024 \$ thousands	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +/(absolute value)	Change in valuation \$ thousands	Shareholding
<b>Pie Australasian Emerging Companies Fund</b>							
<b>Convertible notes</b>							
Technology	130	Discounted cash flow based	Coupon rate	10%	10%	13/(13)	

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5.6 Level 3 movement analysis

\$ thousands As at 31 March	Pie Australasian Emerging Companies Fund	
	2025	2024
<b>Convertible notes converted to Listed equities</b>		
Opening balance	130	2,233
Accrued interest	-	(174)
(Loss)/gain recognised in the Statements of Comprehensive Income	(130)	(434)
Sales	-	(1,495)
Closing balance	-	130

These gains and losses are recognised in profit or loss as net gains/(losses) on financial instruments at fair value through profit or loss.

## 6. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>Financial assets at fair value through profit or loss</i>										
New Zealand equities	6,323	3,601	19,718	7,051	3,037	1,519	7,925	-	-	-
Australian equities	102,694	74,456	296,884	243,165	106,150	115,121	295,213	340,342	-	-
International equities	-	-	-	-	-	-	-	-	-	14,083
International managed funds	-	-	-	-	-	-	-	-	3,025	-
New Zealand PIE funds	-	-	-	-	-	-	-	-	178,893	132,951
Convertible notes	-	-	-	-	-	130	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-	-	129
Equity options	28	-	-	-	38	298	-	-	-	-
International futures	-	-	-	-	7	-	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>109,045</b>	<b>78,057</b>	<b>316,602</b>	<b>250,216</b>	<b>109,232</b>	<b>117,068</b>	<b>303,138</b>	<b>340,342</b>	<b>181,918</b>	<b>147,163</b>
<i>Financial liabilities at fair value through profit or loss</i>										
Forward foreign exchange contracts	494	567	1,668	1,708	620	870	1,610	2,436	79	253
International futures	-	-	-	-	115	-	-	-	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>494</b>	<b>567</b>	<b>1,668</b>	<b>1,708</b>	<b>735</b>	<b>870</b>	<b>1,610</b>	<b>2,436</b>	<b>79</b>	<b>253</b>

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 7. RELATED PARTIES

### 7.1 Manager and Supervisor

Pie Funds Management Limited, as the Manager, is responsible for managing the assets of the Funds and fund administration. The manager is entitled to a management fee of 1.85% (plus GST, if any) of the net asset value ("NAV") (previously calculated on daily basis on gross asset value ("GAV") up until 27 October 2023) per annum for the Pie Australasian Growth Fund, the Pie Australasian Growth 2 Fund, the Pie Australasian Emerging Companies Fund and the Pie Australasian Dividend Growth Fund and 0.9% (plus GST, if any) for the Pie Conservative Fund. The management fee is calculated daily and paid monthly and used to cover expenses of management fees, administration fees, supervisor fees, audit fees and other expenses payable by the Funds.

Trustees Executors Limited is the Supervisor of the Fund. All fees charged by Trustees Executors Limited are paid directly by the Manager out of the management fee.

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024

Fees paid and payable to related parties for the year ended 31 March are as follows:

Pie Funds Management Limited:	Management fee expense	1,916	1,402	6,729	4,596	2,449	2,195	6,708	5,940	1,828	1,422
	Management fee payable	180	143	603	405	219	199	559	567	169	140
	Management fee rebates	-	-	-	-	-	-	-	-	1,693	350
	Management fee rebates receivable	-	-	-	-	-	-	-	-	152	99

Certain costs paid by the Manager on behalf of the Funds:

Trustees Executors Limited	Supervisor services (Supervisor fees)	19	17	57	55	23	26	67	71	39	35
PricewaterhouseCoopers	Audit services (Audit fees)	14	14	14	14	14	14	14	14	14	14

No other fees are paid to the auditor by the Manager on behalf of the Funds or directly by the Funds.

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024

Unit holdings and movements in the Funds for the Manager, Directors of the Manager, key management personnel and their close relatives:

Units ('000)	162	151	760	803	244	237	345	235	3,142	4,761
(\$000)	1,432	1,140	2,083	2,093	1,860	1,556	1,525	1,109	3,790	5,650
% Net Assets	1.23%	1.22%	0.57%	0.80%	1.35%	1.23%	0.45%	0.30%	1.75%	3.12%
Purchases ('000)	13	81	36	118	6	147	110	117	73	126
\$000	100	563	100	256	47	814	533	490	88	146
Sales('000)	2	50	78	156	-	119	-	94	1,691	443
\$000	13	364	214	351	6	653	-	373	1,975	450

All transactions in the Funds are made at the prevailing unit prices at the time of the transaction and income earned on investments in the Funds is based on each investor's pro rata share of units in the respective Fund.

On 23 April 2024, the Pie KiwiSaver Growth Fund sold Australian equities investments of \$28,274,392 to the Pie Australasian Growth 2 Fund via inspecies interfunding transfer. A contribution for the same amount and on the same date occurred in the Pie Australasian Growth 2 Fund as a result of this transfer of investments from Pie Kiwisaver Growth Fund to Pie Australasian Growth 2 Fund.

### 7.2 Investment by the Funds in related parties

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Pie Australasian Growth 2 Fund	Carrying amount	-	-	-	-	-	-	-	10,242	5,854
	% net assets	-	-	-	-	-	-	-	4.74%	3.23%
Pie Global Growth Fund	Carrying amount	-	-	-	-	-	-	-	4,847	3,583
	% net assets	-	-	-	-	-	-	-	2.24%	1.98%
Pie Global Growth 2 Fund	Carrying amount	-	-	-	-	-	-	-	29,910	10,864
	% net assets	-	-	-	-	-	-	-	13.84%	5.99%
Pie Fixed Income Fund	Carrying amount	-	-	-	-	-	-	-	120,968	99,055
	% net assets	-	-	-	-	-	-	-	55.98%	54.62%
Pie Property & Infrastructure Fund	Carrying amount	-	-	-	-	-	-	-	12,925	13,532
	% net assets	-	-	-	-	-	-	-	5.98%	7.46%

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 7. RELATED PARTIES (Continued)

### 7.3 Income earned/(losses) incurred by the Funds from their investments in related parties

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the year ended 31 March										
Pie Australasian Growth 2 Fund	-	-	-	-	-	-	-	-	439	554
Pie Global Growth Fund	-	-	-	-	-	-	-	-	(605)	333
Pie Global Growth 2 Fund	-	-	-	-	-	-	-	-	(978)	64
Pie Fixed Income Fund	-	-	-	-	-	-	-	-	6,648	2,366
Pie Property & Infrastructure Fund	-	-	-	-	-	-	-	-	38	701

### 7.4 Investments in the Funds by related parties

\$ thousands		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As at 31 March											
Pie Chairman's Fund	Carrying amount	18,628	16,394	21,241	20,724	27,057	24,575	37,237	43,594	-	-
	% net assets	16.03%	17.50%	5.82%	7.91%	19.65%	19.36%	10.95%	11.93%	-	-
Pie Conservative Fund	Carrying amount	-	-	10,242	5,854	-	-	-	-	-	-
	% net assets	-	-	2.80%	2.23%	-	-	-	-	-	-
Pie KiwiSaver Conservative Fund	Carrying amount	-	-	-	-	-	-	-	-	25,858	-
	% net assets	-	-	-	-	-	-	-	-	11.97%	-
Pie KiwiSaver balanced Fund	Carrying amount	-	-	6,548	-	-	-	-	-	-	-
	% net assets	-	-	1.79%	-	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	Carrying amount	-	-	67,638	-	-	-	-	-	-	-
	% net assets	-	-	18.52%	-	-	-	-	-	-	-

### 7.5 Income earned/(losses) incurred by related parties from their investments in the Funds

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the year ended 31 March										
Pie Chairman's Fund	2,640	4,034	960	3,720	3,710	4,677	(1,753)	9,920	-	-
Pie Conservative Fund	-	-	439	554	-	-	-	-	-	-
Pie KiwiSaver Conservative Fund	-	-	-	-	-	-	-	-	(462)	-
Pie KiwiSaver balanced Fund	-	-	(211)	-	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	4,141	-	-	-	-	-	-	-

## 8. TRADE AND OTHER RECEIVABLES

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As at 31 March										
Interest receivable	5	21	79	8	46	14	42	31	4	9
Dividends receivable	270	212	452	360	397	436	611	1,055	-	1
Futures margin accounts	-	3	-	25	3,123	8	-	9	-	195
Contributions receivable	-	-	-	1	1	-	-	183	1	-
Due from brokers	113	-	2,575	883	631	1,265	7,309	711	-	2,449
<b>Total trade and other receivables</b>	<b>388</b>	<b>236</b>	<b>3,106</b>	<b>1,277</b>	<b>4,198</b>	<b>1,723</b>	<b>7,962</b>	<b>1,989</b>	<b>5</b>	<b>2,654</b>

All trade and other receivable balances are current assets and are classified as financial assets at amortised cost under NZ IFRS 9. The carrying value approximates the fair value due to their short term nature.

# Notes to and Forming Part of the Financial Statements for the year ended 31 March 2025

## 9. TRADE AND OTHER PAYABLES

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As at 31 March										
Withdrawals payable	248	107	59	327	355	10	99	201	34	109
Due to brokers	1,017	102	578	2,238	77	-	3,379	-	-	-
<b>Total trade and other payables</b>	<b>1,265</b>	<b>209</b>	<b>637</b>	<b>2,565</b>	<b>432</b>	<b>10</b>	<b>3,478</b>	<b>201</b>	<b>34</b>	<b>109</b>

All trade and other payables are current liabilities and are classified as financial liabilities at amortised cost under NZ IFRS 9. The carrying value approximates the fair value due to their short term nature.

## 10. RECONCILIATION OF NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS TO NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the year ended 31 March										
Net profit/(loss) after tax attributable to Unitholders	16,218	22,679	15,567	47,767	19,424	25,185	(14,855)	78,595	6,842	13,431
<b>Non cash items</b>										
Dividends reinvested	(129)	-	(671)	(461)	(101)	(296)	(102)	(132)	-	-
Non cash Interest	-	-	-	-	-	-	-	-	-	(802)
Realised losses on in specie sale of financial assets	-	-	-	-	-	-	-	-	-	226
Unrealised changes in the fair value of financial assets	(6,287)	(18,310)	7,014	(40,449)	5,621	(18,168)	45,088	(54,716)	(2,487)	(14,832)
Foreign exchange losses/(gains) on cash at bank	(100)	(63)	(21)	(24)	144	60	(86)	(168)	427	(336)
	(6,516)	(18,373)	6,322	(40,934)	5,664	(18,404)	44,900	(55,016)	(2,060)	(15,744)
<b>Movements in working capital items</b>										
(Increase)/decrease in trade other receivables	(139)	220	(1,789)	(31)	641	(778)	(5,948)	1,040	2,596	(2,130)
Increase/(decrease) in trade and other payables	915	(1,624)	(1,660)	973	77	-	3,379	-	-	(7,430)
Increase/(decrease) in trade and other payables to related parties	37	36	198	(22)	20	18	(8)	77	29	23
(Increase)/Decrease in cost of investments	(24,658)	(2,181)	(41,399)	(5,576)	1,140	(3,106)	(3,588)	(39,569)	(36,253)	24,670
	(23,845)	(3,549)	(44,650)	(4,656)	1,878	(3,866)	(6,165)	(38,452)	(33,628)	15,133
<b>Net cash flows (used in)/from operating activities</b>	<b>(14,143)</b>	<b>757</b>	<b>(22,761)</b>	<b>2,177</b>	<b>26,966</b>	<b>2,915</b>	<b>23,880</b>	<b>(14,873)</b>	<b>(28,846)</b>	<b>12,820</b>

## 11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no material commitments or contingent liabilities as at 31 March 2025 (31 March 2024: nil).

## 12. EVENTS AFTER BALANCE DATE

### Changes in unit price

Unit prices are based on the underlying prices of the financial assets and financial liabilities held by the respective Funds, and accordingly the unit price changes regularly due to market volatility, including during the period between balance date and the date these financial statements were authorised for issue. Unit prices are available at <https://www.piefunds.co.nz/Performance>.

Other than the above, there have been no significant events that have occurred since balance date which would impact on the financial position of the Funds disclosed in the Statements of Financial Position as at 31 March 2025 or on the results and cash flows of the Funds for the year ended on that date.



## Independent auditor's report

To the unit holders of:

- Pie Australasian Growth Fund
- Pie Australasian Growth 2 Fund
- Pie Australasian Emerging Companies Fund
- Pie Australasian Dividend Growth Fund
- Pie Conservative Fund

(Collectively referred to as the Funds, which form part of the Pie Funds Management Scheme)

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### Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial positions of the Funds as at 31 March 2025, their financial performance, and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2025;
- the statements of comprehensive income for the year then ended;
- the statements of changes in unit holders funds for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Independence

We are independent of the Funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our capacity as auditor, our firm also provides agreed-upon procedures services in respect of the Funds for Pie Funds Management Limited (the Manager). Subject to certain restrictions, partners and employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. The firm has no other relationship with, or interests in, the Manager in respect of the Funds.

## 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 of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of financial assets and financial liabilities at fair value through profit or loss</b></p> <p>Refer to note 6 to the financial statements for the reported values of financial assets and financial liabilities ("financial instruments") at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets of the Funds.</p> <p><b>Valuation</b></p> <p>The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and are categorised as level 1 in the fair value hierarchy.</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial instruments at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the processes included obtaining the internal control reports over investment accounting and unit pricing provided by the Administrator.</p> <p>We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator for the period 1 April 2024 to 31 March 2025.</p> <p>For financial instruments where quoted market prices in an active market were available, we compared the market price at the reporting date to independent third party pricing sources.</p>





Description of the key audit matter	How our audit addressed the key audit matter
<p>The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques.</p> <p>The valuation technique depends on the underlying financial instrument and includes assumptions that are based on market conditions existing at the reporting date.</p> <p>Such financial instruments with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy.</p> <p>Where a significant input is not observable the financial instrument is categorised at level 3 in the fair value hierarchy.</p> <p>For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the exchange rates at the reporting date.</p> <p><b>Existence</b></p> <p>Holdings of certain financial instruments at fair value through profit or loss are held by the Custodian on behalf of the Funds. The Custodian uses a sub-custodian for certain financial instruments.</p> <p>For financial instruments at fair value through profit or loss not held by the Custodian, the position is recorded by financial institutions.</p>	<p>For financial instruments that are not traded in an active market and with inputs that are observable either directly or indirectly, we:</p> <ul style="list-style-type: none"> <li>• agreed the observable inputs to third party pricing sources and used our PwC valuation experts to evaluate the fair value, using independent valuation models, or</li> <li>• agreed the redemption price at the reporting date, to the confirmation provided by the unlisted fund's administrator. We evaluated that the redemption price represents fair value by comparing the Net Asset Value per unit calculated based on the latest financial statements of the underlying unlisted fund to the published unit price on that date to provide evidence of the reliability of unit pricing.</li> </ul> <p>For financial instruments where a significant input is not observable we assessed the valuation performed by the Manager.</p> <p>We have assessed the reasonableness of the exchange rates used to translate financial instruments quoted in foreign currencies.</p> <p>We obtained confirmation from the Custodian, sub-custodian and financial institutions of the holdings and positions of the financial instruments held by the Funds as at the reporting date.</p>



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## Our audit approach

### Overview

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#### Materiality

We determined materiality for each Fund separately. Our materiality for each Fund is calculated based on approximately 1% of net assets for each Fund.

We chose net assets as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a total return on the Funds' net assets, taking into account both capital and income returns.

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#### Key audit matters

As reported above, we have one key audit matter, being valuation and existence of financial assets and financial liabilities at fair value through profit or loss

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to 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.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of each Fund as a whole.



### **How we tailored our audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Fund as a whole, taking into account the structure of each Fund, the Funds' investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to a third party service provider.

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### **Other information**

The Manager is responsible for the other information. The other information comprises the information included in the annual report and the climate statements, but does not include the financial statements and our auditor's report thereon, which the annual report and the climate statements refer to.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or 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 to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of the Manager for the financial statements**

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards and for such internal control as the Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Manager either intends to liquidate a Fund or to cease operations, or has no realistic alternative but to do so.



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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

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

This description forms part of our auditor's report.

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**Who we report to**

This report is made solely to each Fund's unit holders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund's unit holders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

A handwritten signature in black ink that reads 'Samuel Shuttleworth'.

PricewaterhouseCoopers

25 July 2025

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