

# Fund Update

## PIE FUNDS MANAGEMENT SCHEME: PIE AUSTRALASIAN DIVIDEND GROWTH FUND

### Fund update for the quarter ended: 31.12.23

This fund update was first made publicly available on 26.01.24

### What is the purpose of this update?

This document tells you how the Pie Australasian Dividend Growth Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Pie Funds Management Limited (**Pie Funds**) prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

### Description of this fund

The Pie Australasian Dividend Growth Fund seeks to provide investors with a regular dividend payment stream or reinvestment and long term capital growth. It does this by investing predominantly in a concentrated portfolio of hand-picked Australasian smaller and medium companies that pay a dividend or produce cash-flow available for future distributions and whose earnings growth potential we do not consider fully realised by the market.

The Pie Australasian Dividend Growth Fund may also invest in other types of financial products such as cash, unlisted equities as well as Large Companies.

|                                    |               |
|------------------------------------|---------------|
| Total value of fund as at 31.12.23 | \$324,568,086 |
| The date the fund started          | 16.09.11      |

### How has the fund performed?

|   | Average over past 5 years | Past Year |
|---|---------------------------|-----------|
| <b>Annual return</b> (after deductions for charges and tax)                   | 11.78%                    | 14.56%    |
| <b>Annual return</b> (after deductions for charges but before tax)            | 12.53%                    | 15.18%    |
| <b>Market Index annual return</b> (reflects no deduction for charges and tax) | 6.92%                     | 8.05%     |

The market index is the S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P/ASX Small Ordinaries Total Return Index (NZD unhedged)

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

### What are the risks of investing?<sup>1</sup>

Risk indicator for the Pie Australasian Dividend Growth Fund

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

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

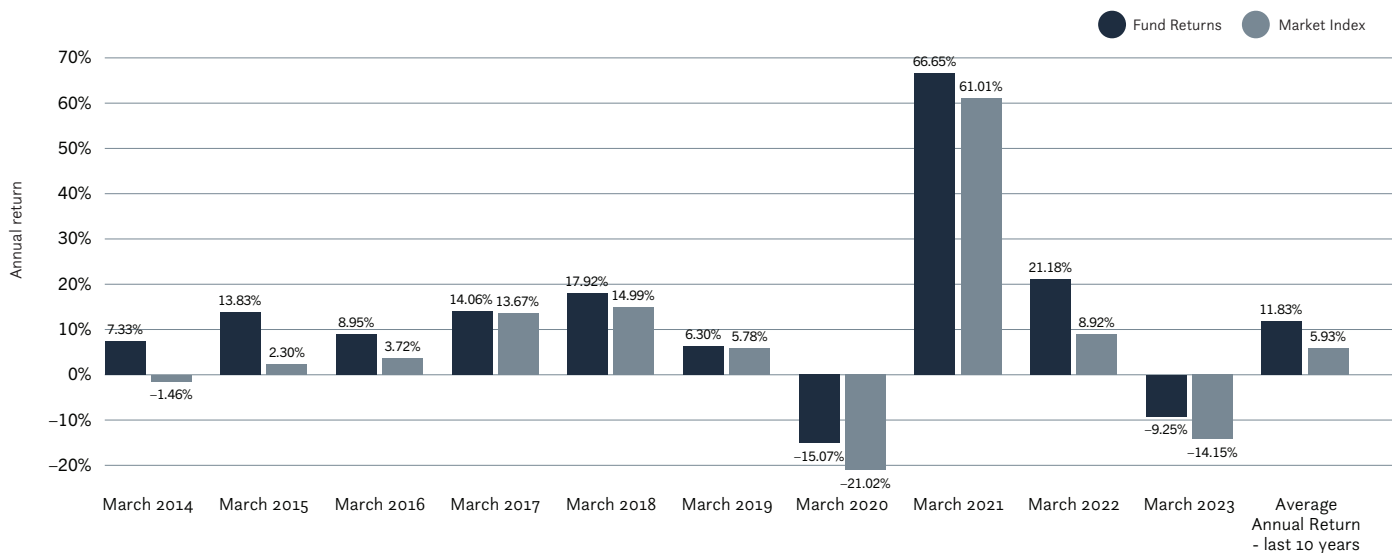
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-profiler](http://www.sorted.org.nz/tools/investor-profiler).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the past five years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (**PDS**) for more information about the risks associated with investing in this fund.

## Annual return graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years up to 31 December 2023. Important: This does not tell you how the fund will perform in the future.

† Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

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

|   | % of net asset value          |
|---|-------------------------------|
| <b>Total fund charges</b>                         | <b>1.85%</b>                  |
| Which are made up of:                             |                               |
| <b>Total management and administration charge</b> | <b>1.85%</b>                  |
| Including   |                               |
| Manager's basic fee                               | 1.85%                         |
| Other management and administration charges       | 0.00%                         |
| <b>Total performance-based fees</b>               | <b>0.00%</b>                  |
| <b>Other charges</b>                              | <b>\$ amount per investor</b> |
| Other charges                                     | \$0.00                        |

**Fees are exclusive of GST, if any.**

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

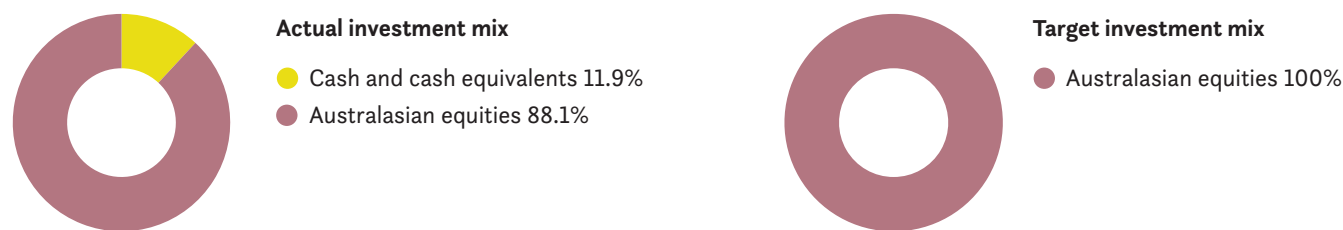
## Example of how this applies to an investor

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

Lucy had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Lucy incurred a gain after fund charges were deducted of \$1,518 (that is 15.18% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total gain after tax of \$1,456 for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.<sup>2</sup>



**Hedging:** We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged foreign currency exposure (as a percentage of all foreign currency exposure of the fund) is 62.90% (unhedged 37.10%)

## Top 10 investments

|    | Name                           | % of fund net assets | Type                      | Country | Credit rating (if applicable) |
|----|--------------------------------|----------------------|---------------------------|---------|-------------------------------|
| 1  | Mermaid Marine Australia Ltd   | 7.03%                | Australasian equities     | AU      |                               |
| 2  | AUB Group Limited              | 5.93%                | Australasian equities     | AU      |                               |
| 3  | Johns Lyng Group Ltd           | 5.35%                | Australasian equities     | AU      |                               |
| 4  | Aussie Broadband Pty Ltd       | 5.24%                | Australasian equities     | AU      |                               |
| 5  | Karoon Gas Australia Ltd       | 5.14%                | Australasian equities     | AU      |                               |
| 6  | JPM Call Account - AUD         | 3.95%                | Cash and cash equivalents | AU      | A+                            |
| 7  | Macquarie Technology Group Ltd | 3.59%                | Australasian equities     | AU      |                               |
| 8  | PSC Insurance Group Ltd        | 3.47%                | Australasian equities     | AU      |                               |
| 9  | Smartgroup Cort Ltd            | 3.38%                | Australasian equities     | AU      |                               |
| 10 | Monash IVF Group               | 3.36%                | Australasian equities     | AU      |                               |

The total value of the top 10 individual assets of the fund make up 46.44% of the net asset value of the fund.

## Key personnel

| Name             | Current position                                     | Time in current position | Previous or other current position                        | Time in previous or other current position |
|------------------|--|--------------------------|---|--|
| Michael Taylor   | Executive Director and Chief Investment Officer      | 1 year and 9 months      | Executive Director and Chief Executive Officer, Pie Funds | 15 years and 5 months                      |
| Mike Ross        | Portfolio Manager (Lead)                             | 5 years and 4 month      | Co-portfolio Manager, Pie Funds                           | 6 months                                   |
| Michael Goltsman | Portfolio Manager (Co) and Senior Investment Analyst | 1 year and 9 months      | Senior Investment Analyst, Pie Funds                      | 0 years and 6 months                       |

## Further information

You can also obtain this information, the PDS for the Pie Australasian Dividend Growth Fund, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Notes

- During times of extreme market volatility, the risk may be greater than indicated, particularly for this fund as it invests in smaller companies; smaller companies can be more volatile when markets sell down. Past performance may not be a reliable indicator for the risk of the fund.
- For further information on each of the asset classes refer to the PDS and the SIPO.