



Pie Funds Management Scheme
Financial Statements
For The Year Ended 31 March 2023

Including the following Funds:

Pie Global Growth Fund
Pie Global Growth 2 Fund
Pie Growth UK & Europe Fund
Pie Chairman's Fund

Statements of Comprehensive Income

\$ thousands For the year ended 31 March 2023	Notes	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Income									
Interest income on financial assets at amortised cost		864	201	145	11	438	156	65	17
Dividend and distribution income		2,966	2,307	1,116	577	1,237	812	1,088	954
Foreign exchange (losses)/gains		3,115	(717)	1,175	(342)	1,684	(798)	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		4,793	(2,770)	(1,309)	(1,977)	(12,405)	(3,081)	(17,623)	(3,345)
Total income/(loss)		11,738	(979)	1,127	(1,731)	(9,046)	(2,911)	(16,470)	(2,374)
Expenses									
Administration Fees	7	-	-	-	-	-	-	-	13
Management fees	7	3,437	3,481	1,040	1,131	2,375	2,684	198	176
Brokerage expense		459	571	134	225	255	362	-	-
Total expenses		3,896	4,052	1,174	1,356	2,630	3,046	198	189
Net profit/(loss) attributable to Unitholders		7,842	(5,031)	(47)	(3,087)	(11,676)	(5,957)	(16,668)	(2,563)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) attributable to Unitholders		7,842	(5,031)	(47)	(3,087)	(11,676)	(5,957)	(16,668)	(2,563)

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

Statements of Changes in Unitholders' Funds

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March 2023								
Unitholders' funds at the beginning of the year	240,610	172,050	81,089	56,287	145,815	97,138	255,424	180,477
Total comprehensive income/(loss) attributable to Unitholders	7,842	(5,032)	(47)	(3,087)	(11,676)	(5,957)	(16,668)	(2,563)
Proceeds from units issued*	22,512	90,480	2,429	34,188	4,914	67,408	4,811	95,444
Redemption of units*	(22,121)	(15,733)	(13,945)	(6,010)	(17,246)	(11,677)	(39,331)	(16,281)
Unitholder attributed taxation	(741)	(1,156)	(190)	(289)	(482)	(1,097)	(842)	(1,653)
Unitholders' funds at the end of the year	248,102	240,610	69,336	81,089	121,325	145,815	203,394	255,424

Units (000)	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March 2023								
Units on issue at the beginning of the year	102,626	73,838	69,769	47,954	81,666	53,610	111,587	79,932
Units issued*	9,811	35,514	2,165	26,893	2,977	34,807	2,244	39,149
Units redeemed*	(9,890)	(6,726)	(12,619)	(5,078)	(10,820)	(6,751)	(19,274)	(7,494)
Units on issue at the end of the year	102,547	102,626	59,315	69,769	73,823	81,666	94,557	111,587

*Issuance and redemptions for the year ended 31 March 2022 have been restated to exclude intrafund transfers previously recognised on a gross basis. The tables below sets out the adjustments for each Fund. There is no impact to 'Net assets attributable to Unitholders at the end of the year' and the 'Units on issue at the end of the year'. Intrafund transfers are transfers of units within the same fund for registry purposes and do not represent units issued and redeemed by and from the fund.

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2022		2022		2022		2022	
For the year ended 31 March 2023								
Proceeds from units issued*		(4,306)		(404)		(3,512)		(9,454)
Redemption of units*		4,306		404		3,512		9,457

Units (000)	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2022		2022		2022		2022	
For the year ended 31 March 2023								
		(1,734)		(322)		(1,834)		(1,734)
		1,734		322		1,834		1,734

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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Unitholders' funds		248,102	240,610	69,336	81,089	121,325	145,815	203,394	255,424
<i>Represented by:</i>									
Assets									
Cash and cash equivalents		30,024	51,917	5,380	16,244	16,391	30,655	897	6,077
Term deposits		4,736	-	1,441	-	2,780	2,501	-	-
Trade and other receivables	8	1,491	6,697	1,690	2,275	713	5,697	-	-
Unitholder tax rebates receivable		1	-	1	-	2	-	5	-
Financial assets at fair value through profit or loss	6	213,464	183,427	61,158	65,247	102,578	111,143	203,360	251,785
Total assets		249,716	242,041	69,670	83,766	122,464	149,996	204,262	257,862
<i>Less:</i>									
Liabilities									
Trade and other payables	9	91	52	109	2,378	46	2,775	10	765
Trade and other payables to related parties	7	306	299	86	100	193	231	16	19
Financial liabilities as fair value through profit or loss	6	788	185	138	5	529	145	-	-
Unitholder tax liabilities payable		429	895	1	194	371	1,030	842	1,654
Total liabilities		1,614	1,431	334	2,677	1,139	4,181	868	2,438
Net assets attributable to Unitholders		248,102	240,610	69,336	81,089	121,325	145,815	203,394	255,424

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



Date

26-7-23

Director



Date

26-7-23

Statements of Cash Flows

\$ thousands For the year ended 31 March 2023	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund		
	Notes	2023	2022	2023	2022	2023	2022	2023	2022
Cash flows from operating activities									
Sale of investments		143,955	102,367	47,301	48,455	76,823	63,656	31,890	2,850
Interest received		730	167	90	11	368	132	65	17
Dividends and distributions received		2,794	2,314	1,089	567	1,202	812	-	-
Purchase of investments		(162,706)	(148,256)	(45,825)	(63,353)	(77,582)	(105,539)	-	(79,555)
Net movement in term deposit principal		(4,600)	-	(1,400)	-	(200)	(2,500)	-	-
Payment of expenses		(3,891)	(3,972)	(1,188)	(1,330)	(2,668)	(2,974)	(201)	(170)
Net cash (used in)/from operating activities	10	(23,718)	(47,380)	67	(15,650)	(2,057)	(46,413)	31,754	(76,858)
Cash flows from financing activities									
Contributions*		22,512	90,581	2,429	34,188	4,914	67,510	4,811	95,574
Withdrawals*		(22,082)	(15,681)	(13,851)	(6,183)	(17,205)	(11,701)	(40,086)	(15,523)
Net Unitholder attributed taxation (paid)/refunded		(1,208)	(480)	(384)	(190)	(1,143)	(256)	(1,659)	106
Net cash (used in)/from financing activities		(778)	74,420	(11,806)	27,815	(13,434)	55,553	(36,934)	80,157
Net (decrease)/increase in cash		(24,496)	27,040	(11,739)	12,165	(15,491)	9,140	(5,180)	3,299
Cash and cash equivalents at the beginning of the year		51,917	25,472	16,244	4,347	30,655	22,165	6,077	2,778
Effect of exchange rate fluctuations		2,603	(595)	875	(268)	1,227	(650)	-	-
Cash and cash equivalents at the end of the year		30,024	51,917	5,380	16,244	16,391	30,655	897	6,077

*For each of the portfolios, prior year comparative figures for cash flows from financing activities have been corrected for intrafund transfers previously recognised on a gross basis. The affected FSLIs (proceeds from units issued and redemptions of units) were both overstated as follows: (Pie Global Growth Fund: \$4,306,329; Pie Global Growth 2 Fund: \$403,684; Pie Growth UK & Europe Fund: \$3,512,486; and Pie Chairman's Fund: \$9,457,476). There is no impact to the net cash inflows from financing activities.

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 2023

1. GENERAL INFORMATION

These Financial Statements have been prepared for the following reporting entities: Pie Global Growth Fund, Pie Global Growth 2 Fund, Pie Growth UK & Europe Fund and Pie Chairman's Fund ("the Funds"). The Funds commenced operations on 2 September 2013, 1 May 2018, 1 November 2016 and 1 September 2014 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. The current licence expires on 16 January 2028.

The principal activity of the Funds is described below:

- * The Pie Global Growth Fund invests predominantly in listed international smaller companies, international managed funds and other products issued by Pie Funds.
- * The Pie Global Growth 2 Fund invests predominantly in listed international large companies, directly and through ETFs.
- * The Pie Growth UK & Europe Fund invests predominantly in listed UK and European smaller companies.
- * The Pie Chairman's Fund invests in other products issued by Pie Funds Management Limited which predominantly invest in listed equities.

The Financial Statements cover the year ended 31 March 2023. Comparative information has been provided for the year ended 31 March 2022.

2. SUMMARY OF 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 ("IFRS").

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.

New standards and amendments

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 amends the Financial Markets Conduct Act 2013 (FMC Act), the Financial Reporting Act 2013, and the Public Audit Act 2001 which requires impacted entities to start making climate-related disclosures. Funds are expected to publish climate related statements for annual periods beginning on or after 1 January 2023 based upon climate standards issued by the External Reporting Board (XRB). The first climate statement will be required to be prepared for the year ending 31 March 2024.

The XRB issued the following:

- Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1)
- Aotearoa New Zealand Climate Standard 2: Adoption of Climate-related Disclosures (NZ CS 2)
- Aotearoa New Zealand Climate-related Disclosures Concepts (NZ CRDC).

NZ CS 1 is the main disclosure standard and is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). NZ CS 2 is an adoption standard to enable entities to begin their climate-related disclosure journey. NZ CS 3 contains the principles, the underlying concepts such as materiality, and the general requirements.

The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance; strategy; risk management; and metrics and targets.

The Manager will continue to monitor developments associated with climate related disclosures.

Issued but not yet effective accounting standards

There are no new standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2022 that 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 2023

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, funds/unit trusts, futures 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. 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.

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 receivables 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 account 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 2023

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, distribution and interest income are disclosed net of any resident withholding taxes deducted at source, as these tax credits are allocated to Unitholders under the PIE ("Portfolio Investment Entity") regime.

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 year 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 is calculated on a daily basis on the gross asset value ("GAV") 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. All other fees are predominately paid by the manager and are 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.
- (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 2023

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.

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 2023

4. OFFSETTING

The Funds are subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparty, BNZ ("Bank of 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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
<i>Financial assets:</i>									
Amounts subject to offsetting:	Gross assets	193	1,585	92	965	26	892	-	-
	Gross liabilities offset	-	-	-	-	-	-	-	-
	Net amounts presented	193	1,585	92	965	26	892	-	-
Amounts not offsetting:	Financial instruments	(788)	(185)	(138)	(5)	(529)	(145)	-	-
	Cash collateral	-	-	-	-	-	-	-	-
	Net amount	(595)	1,400	(46)	960	(503)	747	-	-
<i>Financial liabilities:</i>									
Amounts subject to offsetting:	Gross liabilities offset	(788)	(185)	(138)	(5)	(529)	(145)	-	-
	Gross assets offset	-	-	-	-	-	-	-	-
	Net amounts presented	(788)	(185)	(138)	(5)	(529)	(145)	-	-
Amounts not offsetting:	Financial instruments	788	185	138	5	529	145	-	-
	Cash collateral	-	-	-	-	-	-	-	-
	Net amount	-	-	-	-	-	-	-	-

4.1.4 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 (2023: nil, 2022: 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 2023

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. The Pie Chairman's Fund is indirectly exposed to price risk through their investments in other New Zealand PIE funds managed by Pie Funds Management Limited. 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 one 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.

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

\$ thousands As at 31 March	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Equities/funds	213,271	181,842	61,066	64,282	102,552	110,251	203,360	251,785
Impact of a +10% change in equity prices	21,327	18,184	6,107	6,428	10,255	11,025	20,336	25,179
Impact of a -10% change in equity prices	(21,327)	(18,184)	(6,107)	(6,428)	(10,255)	(11,025)	(20,336)	(25,179)

(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. The Funds hold cash and cash equivalents that expose them to cash flow 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.

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%) (2022: 10 basis points (0.1%)) was selected 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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents Carrying amount	30,024	51,917	5,380	16,244	16,391	30,655	897	6,077
Impact of a +1% change in interest rates (2022: +0.1%)	300	52	54	16	164	31	9	6
Impact of a -1% change in interest rates (2022: -0.1%)	(300)	(52)	(54)	(16)	(164)	(31)	(9)	(6)
Term deposits Carrying amount	4,736	-	1,441	-	2,780	2,501	-	-
Impact of a +1% change in interest rates (2022: +0.1%)	47	-	14	-	28	3	-	-
Impact of a -1% change in interest rates (2022: -0.1%)	(47)	-	(14)	-	(28)	(3)	-	-

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

(c) Currency Risk

Currency 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 currency risk through holding Australian dollar and other foreign currency denominated financial instruments. The Funds may also be indirectly exposed to currency 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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
Australian Dollar (AUD)	-	-	11	11	29	28	-	-
United States Dollar (USD)	(49,131)	(13,987)	(23,534)	(10,411)	(4,563)	1,551	-	-
Euro Dollar (EUR)	(19,101)	(19,199)	(9,034)	(11,054)	(24,187)	(22,987)	-	-
Great British Pound (GBP)	(23,512)	(23,489)	(1,010)	(2,047)	(18,134)	(18,277)	-	-
Japanese Yen (JPY)	-	(257)	(993)	(1,576)	-	-	-	-
Swedish Krona (SEK)	(13,724)	(7,645)	(299)	138	(11,446)	(10,652)	-	-
Canadian Dollar (CAD)	-	(913)	-	(356)	-	-	-	-
Norwegian Krona (NOK)	(1,914)	(3,123)	(479)	(276)	(819)	(2,186)	-	-
Taiwan New Dollar (TWD)	-	1,502	9	512	-	-	-	-
Swiss Franc (CHF)	(10,461)	(5,100)	(4,039)	(3,540)	(2,703)	(3,569)	-	-
Hong Kong Dollar (HKD)	-	-	-	1,082	-	-	-	-
Mexican Peso (MXN)	(7,748)	3,108	(975)	55	-	-	-	-
South Korean Won (KRW)	41	-	3	4	-	-	-	-
Danish Krone (DKK)	-	-	7	40	-	-	-	-
Philippine Peso (PHP)	160	29	-	-	-	-	-	-

The table below summarises the impact on the Statements of Comprehensive Income and Changes in Net Assets 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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
Australian Dollar (AUD)	-	-	(1)	(1)	(3)	(3)	-	-
United States Dollar (USD)	4,466	1,273	2,139	948	415	(141)	-	-
Euro Dollar (EUR)	1,736	1,745	821	1,005	2,199	2,090	-	-
Great British Pound (GBP)	2,137	2,135	92	186	1,649	1,662	-	-
Japanese Yen (JPY)	-	23	90	143	-	-	-	-
Swedish Krona (SEK)	1,248	695	27	(13)	1,041	968	-	-
Canadian Dollar (CAD)	-	83	-	32	-	-	-	-
Norwegian Krona (NOK)	174	284	44	25	74	199	-	-
Taiwan New Dollar (TWD)	-	(137)	(1)	(47)	-	-	-	-
Swiss Franc (CHF)	951	464	367	322	246	324	-	-
Hong Kong Dollar (HKD)	-	-	-	(98)	-	-	-	-
Mexican Peso (MXN)	704	(283)	89	(5)	-	-	-	-
South Korean Won (KRW)	(4)	-	-	-	-	-	-	-
Danish Krone (DKK)	-	-	(1)	(4)	-	-	-	-
Philippine Peso (PHP)	(15)	(3)	-	-	-	-	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

(c) Currency Risk (continued)

\$ thousands As at 31 March	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Monetary assets/(liabilities)								
<i>Exchange rates decreased by 10%</i>								
Australian Dollar (AUD)	-	-	1	1	3	3	-	-
United States Dollar (USD)	(5,459)	(1,554)	(2,615)	(1,157)	(507)	174	-	-
Euro Dollar (EUR)	(2,122)	(2,133)	(1,004)	(1,228)	(2,687)	(2,554)	-	-
Great British Pound (GBP)	(2,612)	(2,610)	(112)	(227)	(2,015)	(2,031)	-	-
Japanese Yen (JPY)	-	(29)	(110)	(175)	-	-	-	-
Swedish Krona (SEK)	(1,525)	(849)	(33)	15	(1,272)	(1,184)	-	-
Canadian Dollar (CAD)	-	(101)	-	(40)	-	-	-	-
Norwegian Krona (NOK)	(213)	(347)	(53)	(31)	(91)	(243)	-	-
Taiwan New Dollar (TWD)	-	167	1	57	-	-	-	-
Swiss Franc (CHF)	(1,162)	(567)	(449)	(393)	(300)	(397)	-	-
Hong Kong Dollar (HKD)	-	-	-	120	-	-	-	-
Mexican Peso (MXN)	(861)	345	(108)	6	-	-	-	-
South Korean Won (KRW)	5	-	-	-	-	-	-	-
Danish Krone (DKK)	-	-	1	4	-	-	-	-
Philippine Peso (PHP)	18	3	-	-	-	-	-	-

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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-monetary assets/(liabilities)								
United States Dollar (USD)	59,243	27,073	28,807	23,458	5,347	-	-	-
Euro Dollar (EUR)	29,651	33,741	14,544	16,115	37,704	37,812	-	-
Great British Pound (GBP)	38,498	50,601	1,662	5,181	29,596	39,787	-	-
Japanese Yen (JPY)	-	1,652	2,482	2,658	-	-	-	-
Swedish Krona (SEK)	25,856	19,036	560	-	21,373	24,035	-	-
Canadian Dollar (CAD)	-	4,153	-	831	-	-	-	-
Norwegian Krona (NOK)	4,142	6,533	1,035	1,658	1,660	5,220	-	-
Swiss Franc (CHF)	10,760	4,987	4,313	3,782	3,108	3,325	-	-
South Korean Won (KRW)	4,467	-	1,805	1,767	-	-	-	-
Mexican Peso (MXN)	15,900	13,270	1,913	2,717	-	-	-	-
Philippines Peso (PHP)	13,014	10,280	935	-	-	-	-	-
Taiwan dollars (TWD)	4,768	10,394	1,819	3,834	-	-	-	-
Danish Krone (DKK)	6,970	-	1,190	2,416	3,764	-	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

(c) Currency Risk (continued)

\$ thousands As at 31 March	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
United States Dollar (USD)	(5,386)	(2,461)	(2,619)	(2,133)	(486)	-	-	-
Euro Dollar (EUR)	(2,696)	(3,067)	(1,322)	(1,462)	(3,428)	(3,437)	-	-
Great British Pound (GBP)	(3,500)	(4,600)	(151)	(471)	(2,691)	(3,617)	-	-
Japanese Yen (JPY)	-	(150)	(226)	(242)	-	-	-	-
Swedish Krona (SEK)	(2,351)	(1,731)	(51)	-	(1,943)	(2,185)	-	-
Canadian Dollar (CAD)	-	(378)	-	(76)	-	-	-	-
Norwegian Krona (NOK)	(377)	(594)	(94)	(151)	(151)	(475)	-	-
Swiss Franc (CHF)	(978)	(453)	(392)	(344)	(283)	(302)	-	-
South Korean Won (KRW)	(406)	-	(164)	(161)	-	-	-	-
Mexican Peso (MXN)	(1,445)	(1,206)	(174)	(247)	-	-	-	-
Philippines Peso (PHP)	(1,183)	(935)	(85)	-	-	-	-	-
Taiwan dollars (TWD)	(433)	(945)	(165)	(349)	-	-	-	-
Danish Krone (DKK)	(634)	-	(108)	(220)	(342)	-	-	-
<i>Exchange rates decreased by 10%</i>								
United States Dollar (USD)	6,583	3,008	3,201	2,606	594	-	-	-
Euro Dollar (EUR)	3,295	3,749	1,616	1,791	4,189	4,201	-	-
Great British Pound (GBP)	4,278	5,622	185	576	3,288	4,421	-	-
Japanese Yen (JPY)	-	184	276	295	-	-	-	-
Swedish Krona (SEK)	2,873	2,115	62	-	2,375	2,671	-	-
Canadian Dollar (CAD)	-	461	-	92	-	-	-	-
Norwegian Krona (NOK)	460	726	115	184	184	580	-	-
Swiss Franc (CHF)	1,196	554	479	420	345	369	-	-
South Korean Won (KRW)	496	-	201	196	-	-	-	-
Mexican Peso (MXN)	1,767	1,474	213	302	-	-	-	-
Philippines Peso (PHP)	1,446	1,142	104	-	-	-	-	-
Taiwan dollars (TWD)	530	1,155	202	426	-	-	-	-
Danish Krone (DKK)	774	-	132	268	418	-	-	-

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 following table shows the expected maturity of financial liabilities at the reporting date:

\$ As at 31 March	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at fair value through profit or loss								
Less than one year	788	185	138	5	529	145	-	-
Trade and other payables								
Less than one year	91	52	109	2,378	46	2,775	10	765
Related party payables								
Less than one year	306	299	86	100	193	231	16	19

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

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

\$		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Credit rating									
Cash and cash equivalents									
	Rating Category	AA-	40,725	5,380	16,244	13,070	22,824	897	6,077
	Rating Category	A	11,192	-	-	3,321	7,831	-	-
Term Deposits									
	Rating Category	AA-	4,736	-	1,441	-	2,780	-	-

As at 31 March 2023 there were no financial assets past due or impaired (31 March 2022: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 Net Assets 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 Net Assets. 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 Funds' credit positions on a daily basis. The Risk & Compliance Committee reviews on a two-monthly 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 2023 and 31 March 2022:

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.

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

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.

\$	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Unitholder funds \$000	248,102	240,610	69,336	81,089	121,325	145,815	203,394	255,424
Units '000	102,547	102,626	59,315	69,769	73,823	81,666	94,557	111,587

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 did not distribute during the year to 31 March 2023 (31 March 2022: nil).

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	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Level 1 assets								
International equities	203,644	181,842	57,567	64,282	97,205	110,251	-	-
International managed funds	9,627	-	3,499	-	5,347	-	-	-
International futures	-	-	-	137	-	-	-	-
Total level 1 assets	213,271	181,842	61,066	64,419	102,552	110,251	-	-
Level 2 assets								
New Zealand PIE fund	-	-	-	-	-	-	203,360	251,785
Forward foreign exchange contracts	193	1,585	92	828	26	892	-	-
Total level 2 assets	193	1,585	92	828	26	892	203,360	251,785
Total financial assets at fair value through profit or loss	213,464	183,427	61,158	65,247	102,578	111,143	203,360	251,785
Level 1 liabilities								
International futures	-	121	-	-	-	74	-	-
Total level 1 liabilities	-	121	-	-	-	74	-	-
Level 2 liabilities								
Forward foreign exchange contracts	788	64	138	5	529	71	-	-
Total level 2 liabilities	788	64	138	5	529	71	-	-
Total financial liabilities at fair value through profit or loss	788	185	138	5	529	145	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

The Funds do not have any level 3 financial assets at fair value through profit or loss (31 March 2022: nil).

The fair value of equities and international futures 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 in which it 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 financial assets and liabilities 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.

There were no transfers between levels during the year.

6. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>As at 31 March</i>								
<i>Financial assets at fair value through profit or loss</i>								
International equities	203,644	181,842	57,567	64,282	97,205	110,251	-	-
International managed funds	9,627	-	3,499	-	5,347	-	-	-
New Zealand PIE fund	-	-	-	-	-	-	203,360	251,785
International futures	-	-	-	137	-	-	-	-
Forward foreign exchange contracts	193	1,585	92	828	26	892	-	-
Total financial assets at fair value through profit or loss	213,464	183,427	61,158	65,247	102,578	111,143	203,360	251,785
<i>Financial liabilities at fair value through profit or loss</i>								
International futures	-	121	-	-	-	74	-	-
Forward foreign exchange contracts	788	64	138	5	529	71	-	-
Total financial liabilities at fair value through profit or loss	788	185	138	5	529	145	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

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 gross asset value ("GAV") per annum for the Pie Growth UK & Europe Fund and 1.45% (plus GST, if any) for the Pie Global Growth 2 Fund and the Pie Global Growth Fund, subject to a minimum of \$150,000 per 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. The Pie Chairman's Fund paid an administration fee to the Manager of \$50,000 pro rata and calculated daily until 30 June 2021. From 1 July 2021, the Pie Chairman's Fund incurred a management fee of 0.09% (plus GST, if any), calculated daily and paid monthly to the Manager.

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 Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
As at 31 March		2023	2022	2023	2022	2023	2022	2023	2022
Fees paid and payable to related parties for the year ended 31 March are as follows:									
Pie Funds Management Limited:	Management fee expense	3,437	3,481	1,040	1,131	2,375	2,684	198	176
	Management fee payable	306	299	86	100	193	231	16	19
	Administration fee expense	-	-	-	-	-	-	-	13
	Administration fees payable	-	-	-	-	-	-	-	-
Certain costs paid by the Manager on behalf of the Funds:									
Trustees Executors Limited	Supervisor	6	50	2	16	3	30	2	17
PricewaterhouseCoopers	Audit fee expense	14	11	14	11	14	11	14	11

In addition to the above, the Manager paid the auditor tax agent fees of \$7,918 for Pie Global Growth Fund (2022: \$5,566) and \$5,453 for Pie Global Growth 2 Fund (2022: \$933) during the year.

\$ thousands		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
As at 31 March		2023	2022	2023	2022	2023	2022	2023	2022
Unit holdings and movements in the Funds for the Manager, Directors of the Manager, key management personnel and their close relatives:									
	Units ('000)	539	502	110	110	1,192	1,135	1,076	1,086
	(\$000)	1,303	1,177	128	127	1,959	2,026	2,315	2,485
	% Net Assets	0.53%	0.49%	0.18%	0.16%	1.61%	1.39%	1.14%	0.97%
	Purchases ('000)	52	147	40	-	55	186	47	419
	\$000	117	350	45	-	90	350	101	1,010
	Sales('000)	51	-	40	-	20	-	57	-
	\$000	114	-	46	-	20	-	107	-

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.

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

7.2 Investment by the Funds in related parties

\$ thousands		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March									
Pie Australasian Growth Fund	Carrying amount	-	-	-	-	-	-	11,023	14,383
	% net assets	-	-	-	-	-	-	5.42%	5.63%
Pie Australasian Growth 2 Fund	Carrying amount	-	-	-	-	-	-	17,538	29,347
	% net assets	-	-	-	-	-	-	8.62%	11.49%
Pie Australasian Emerging Companies Fund	Carrying amount	-	-	-	-	-	-	19,008	22,505
	% net assets	-	-	-	-	-	-	9.35%	8.81%
Pie Australasian Dividend Growth Fund	Carrying amount	-	-	-	-	-	-	38,479	52,005
	% net assets	-	-	-	-	-	-	18.92%	20.36%
Pie Global Growth Fund	Carrying amount	-	-	-	-	-	-	53,118	56,486
	% net assets	-	-	-	-	-	-	26.12%	22.11%
Pie Global Growth 2 Fund	Carrying amount	-	-	-	-	-	-	30,216	33,421
	% net assets	-	-	-	-	-	-	14.86%	13.08%
Pie Growth UK & Europe Fund	Carrying amount	-	-	-	-	-	-	33,978	43,638
	% net assets	-	-	-	-	-	-	16.71%	17.08%

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

\$ thousands		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March 2023									
Pie Australasian Growth Fund		-	-	-	-	-	-	(2,562)	(1,560)
Pie Australasian Growth 2 Fund		-	-	-	-	-	-	(4,940)	(2,975)
Pie Australasian Emerging Companies Fund		-	-	-	-	-	-	(1,697)	833
Pie Australasian Dividend Growth Fund		-	-	-	-	-	-	(5,058)	5,649
Pie Global Growth Fund		-	-	-	-	-	-	1,401	(1,178)
Pie Global Growth 2 Fund		-	-	-	-	-	-	(37)	(1,334)
Pie Growth UK & Europe Fund		-	-	-	-	-	-	(3,641)	(1,827)

7.4 Investments in the Funds by related parties

\$ thousands		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March									
Pie Chairman's Fund	Carrying amount	53,118	56,486	30,216	33,421	33,978	43,638	-	-
	% net assets	21.41%	23.48%	43.58%	41.22%	28.01%	29.93%	-	-

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

\$ thousands		Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March 2023									
Pie Chairman's Fund		1,401	(1,178)	(37)	(1,334)	(3,641)	(1,827)	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

8. TRADE AND OTHER RECEIVABLES

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Interest receivable	16	17	7	-	7	12	-	-
Dividends receivable	201	29	48	21	-	-	-	-
Futures margin accounts	1,274	5,191	406	2,254	706	4,744	-	-
Due from brokers	-	1,460	1,229	-	-	941	-	-
Total trade and other receivables	1,491	6,697	1,690	2,275	713	5,697	-	-

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.

9. TRADE AND OTHER PAYABLES

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March								
Withdrawals payable	91	52	109	15	46	5	10	765
Due to brokers	-	-	-	2,363	-	2,770	-	-
Total trade and other payables	91	52	109	2,378	46	2,775	10	765

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 (USED IN)/FROM OPERATING ACTIVITIES

\$ thousands	Pie Global Growth Fund		Pie Global Growth 2 Fund		Pie Growth UK & Europe Fund		Pie Chairman's Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 31 March 2023								
Net profit/(loss) after tax attributable to Unitholders	7,842	(5,031)	(47)	(3,087)	(11,676)	(5,957)	(16,668)	(2,563)
Non cash items								
Dividends reinvested	-	-	-	-	(35)	-	(1,088)	(954)
Unrealised changes in the fair value of financial assets	(13,353)	16,756	(4,764)	(18)	2,976	10,048	21,584	3,769
Foreign exchange losses/(gains) on cash at bank	(3,115)	717	(1,175)	342	(1,684)	798	-	-
	(16,468)	17,473	(5,939)	324	1,257	10,846	20,496	2,815
Movements in working capital items								
Decrease/(increase) in trade other receivables	1,154	(1,487)	(1,311)	25	871	(170)	-	-
Increase/(decrease) in trade and other payables	(2)	(234)	(2,363)	2,363	(2,770)	1,544	-	-
Increase/(decrease) in trade and other payables to related parties	7	80	(14)	26	(38)	72	(3)	19
Decrease/(increase) in cost of investments	(16,251)	(58,181)	9,741	(15,301)	10,299	(52,748)	27,929	(77,129)
	(15,092)	(59,822)	6,053	(12,887)	8,362	(51,302)	27,926	(77,110)
Net cash flows (used in)/from operating activities	(23,718)	(47,380)	67	(15,650)	(2,057)	(46,413)	31,754	(76,858)

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2023

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no material commitments or contingent liabilities as at 31 March 2023 (31 March 2022: nil).

12. EVENTS AFTER BALANCE DATE

Impairment in investment value

As at 31 March 2023, the Pie Global Growth Fund, Pie Global Growth 2 Fund and Pie Growth UK & Europe Fund held shares in SES-imagotag. SES-imagotag entered into a voluntary trading halt on 22 June 2023 and in line with the Manager's Unit Pricing and Valuation Policy, a fair value loss on this investment was recognised and the value of this investment was reduced in the respective funds from \$5,167,689 to \$3,100,613, \$885,890 to \$531,534 and \$5,462,985 to \$3,277,791.

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-and-Unit-Prices>.

Apart from 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 2023 or on the results and cash flows of the Funds for the year ended on that date.



Independent auditor's report

To the unitholders of:

- Pie Global Growth Fund
- Pie Global Growth 2 Fund
- Pie Growth UK & Europe Fund
- Pie Chairman's Fund

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

Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial position of the Funds as at 31 March 2023, 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 (IFRS).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2023;
- the statements of comprehensive income for the year then ended;
- the statement of changes in unitholders' funds for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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.

We are the auditor of the Pie Funds Management Limited, the Manager. We have provided the following services to the Manager: agreed upon procedures on the net tangible assets calculation, tax compliance, tax agent and tax pooling services and the audit of financial statements of other funds and a scheme managed by the Manager. Subject to certain restrictions, employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. These services and relationships have not impaired our independence as auditor of the Funds. We have no other relationships with, or interests in, 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

Valuation and Existence of financial assets and financial liabilities at fair value through profit or loss

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.

This was an area of focus for our audit as it represents the majority of the net assets of the Funds.

Valuation

The fair value of the financial instruments traded in active markets are based on quoted market prices at 31 March 2023 and are categorised as level 1 in the fair value hierarchy.

The fair value of the financial instruments that are not traded in an active market are determined using valuation techniques. The valuation technique depends on the underlying asset or liability and includes assumptions that are based on market conditions existing at 31 March 2023. Financial instruments with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy. Where a significant input is not observable the financial instrument is categorised at level 3 in the fair value hierarchy.

The Funds’ level 2 financial instruments include (where applicable) forward foreign exchange contracts and investments in New Zealand PIE funds.

For forward foreign exchange contracts, the Manager obtains the prices from independent pricing providers.

For the investment in New Zealand PIE funds, the fair value is based on the redemption price established by the investment fund’s administrator which is also the administrator of the Funds. In accessing the fair value, the Manager uses information provided by the investment funds’ administrator.

The Funds have no investments where there are significant unobservable inputs.

For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the applicable exchange rate at the reporting date.

Existence

Holdings of financial instruments are held by the Custodian and financial institutions on behalf of the Funds. The Custodian uses a sub-custodian for certain financial instruments.

How our audit addressed the key audit matter

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 business processes included obtaining the internal control reports over investment accounting and unit pricing provided by the Administrator.



We evaluated the evidence provided by the internal controls reports over the design and operating effectiveness of the key controls operated by the Administrator for the period 1 April 2022 to 31 March 2023.

For financial instruments where quoted market prices in an active market were available, we compared the market price at the reporting date and the exchange rates at which they have been converted from their underlying local currency to New Zealand dollars to independent third party pricing sources.

For forward foreign exchange contracts, we agreed the observable inputs to third party pricing sources and used our own valuation experts to test the fair value using independent valuation models.

For the investments in New Zealand PIE funds managed by the Manager, we agreed the redemption price as at 31 March 2023, to the confirmation provided by the Administrator. We evaluated whether the redemption price represents fair value by comparing the valuation of the investment to the latest financial statements of the New Zealand PIE funds.

We obtained confirmations from the Custodian, sub-custodian and financial institutions of the holdings of all the financial instruments held by the Funds as at 31 March 2023.

Our audit approach

Overview

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.
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

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 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 Funds' investments are held by the Custodian and sub-custodian where applicable. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to a third party service provider.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodian, the Administrator, the Registrar and the Manager to support our audit conclusions.

Other information

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

which the annual report will refer to. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and use our professional judgement to determine the appropriate action to take.

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, and for such internal control as the Manager determines is necessary to enable the preparation of 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.



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.

Who we report to

This report is made solely to each Fund's unitholders, 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 unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

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'.

Chartered Accountants
28 July 2023

Auckland