



Pie Funds Management Scheme
Financial Statements
For The Year Ended 31 March 2024

Including the following Funds:

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

Statements of Comprehensive Income

\$ thousands For the year ended 31 March 2024	Notes	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Income											
Interest income on financial assets at amortised cost		570	296	2,242	2,634	667	778	2,798	1,963	5,497	3,771
Dividend and distribution income		1,584	908	4,192	3,021	1,635	1,816	6,119	9,624	835	2,117
Foreign exchange gains/(losses)		63	(63)	24	1,428	(60)	6	168	(1,414)	336	2,145
Net gains/(losses) on financial instruments at fair value through profit or loss		21,974	(16,260)	46,314	(62,415)	25,394	(10,209)	75,987	(36,175)	7,941	(7,095)
Other income		-	-	-	13	-	12	1	14	31	63
Total income/(loss)		24,191	(15,119)	52,772	(55,319)	27,636	(7,597)	85,073	(25,988)	14,640	1,001
Expenses											
Management fees	7	1,402	1,414	4,596	5,483	2,195	2,180	5,940	5,792	1,422	1,392
Management fee rebates		-	-	-	-	-	-	-	-	(350)	-
Brokerage expense		109	97	409	1,188	256	251	538	549	136	145
Other expenses		1	-	-	-	-	-	-	-	1	-
Total expenses		1,512	1,511	5,005	6,671	2,451	2,431	6,478	6,341	1,209	1,537
Net profit/(loss) attributable to Unitholders		22,679	(16,630)	47,767	(61,990)	25,185	(10,028)	78,595	(32,329)	13,431	(536)
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) attributable to Unitholders		22,679	(16,630)	47,767	(61,990)	25,185	(10,028)	78,595	(32,329)	13,431	(536)

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 Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March 2024										
Unitholders' funds at the beginning of the year	66,568	94,083	264,230	374,616	114,317	134,973	305,944	342,135	192,675	212,160
Total comprehensive income/(loss) attributable to Unitholders	22,679	(16,630)	47,767	(61,990)	25,185	(10,028)	78,595	(32,329)	13,431	(536)
Proceeds from units issued	17,116	27	15,351	217	2,064	24	40,439	41,796	24,034	32,995
Redemption of units	(12,564)	(10,751)	(64,912)	(47,361)	(14,575)	(10,244)	(52,291)	(37,476)	(43,863)	(48,114)
Distributions	-	-	-	-	-	-	(7,839)	(7,985)	(4,328)	(3,452)
Distributions reinvested	-	-	-	-	-	-	994	1,088	-	-
Unitholder attributed taxation	(132)	(161)	(481)	(1,252)	(55)	(408)	(472)	(1,285)	(612)	(378)
Unitholders' funds at the end of the year	93,667	66,568	261,955	264,230	126,936	114,317	365,370	305,944	181,337	192,675

Units (000)	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March 2024										
Units on issue at the beginning of the year	11,875	13,777	122,873	145,223	21,494	23,547	80,275	79,268	170,595	184,242
Units issued	2,513	6	6,780	101	368	5	10,204	11,130	20,799	29,394
Units redeemed	(1,993)	(1,908)	(29,211)	(22,451)	(2,540)	(2,058)	(13,000)	(10,123)	(38,644)	(43,041)
Units on issue at the end of the year	12,395	11,875	100,442	122,873	19,322	21,494	77,479	80,275	152,750	170,595

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

Statements of Financial Position

\$ thousands As at 31 March	Notes	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unitholders' funds		93,667	66,568	261,955	264,230	126,936	114,317	365,370	305,944	181,337	192,675
<i>Represented by:</i>											
Assets											
Cash and cash equivalents		16,419	11,165	12,282	61,707	7,142	17,207	21,326	56,307	18,756	30,374
Term deposits		-	4,657	3,137	21,188	2,091	4,400	5,228	23,646	13,685	29,179
Trade and other receivables	8	236	930	1,277	2,985	1,723	1,978	1,989	5,018	2,654	1,554
Trade and other receivables from related parties	7	-	-	-	-	-	-	-	-	99	-
Unitholder tax rebates receivable		3	-	10	9	4	-	9	1	1	1
Financial assets at fair value through profit or loss	6	78,057	51,867	250,216	182,230	117,068	91,286	340,342	222,914	147,163	139,971
Total assets		94,715	68,619	266,922	268,119	128,028	114,871	368,894	307,886	182,358	201,079
<i>Less:</i>											
Liabilities											
Trade and other payables	9	209	1,820	2,565	2,410	10	7	201	347	109	7,900
Trade and other payables to related parties	7	143	107	405	427	199	181	567	490	140	117
Financial liabilities as fair value through profit or loss	6	567	-	1,708	-	870	-	2,436	-	253	123
Unitholder tax liabilities payable		129	124	289	1,052	13	366	320	1,105	519	264
Total liabilities		1,048	2,051	4,967	3,889	1,092	554	3,524	1,942	1,021	8,404
Net assets attributable to Unitholders		93,667	66,568	261,955	264,230	126,936	114,317	365,370	305,944	181,337	192,675

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 26/07/2024

Director 
 Date 26/07/2024

Statements of Cash Flows

\$ thousands For the year ended 31 March 2024	Notes	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash flows from operating activities											
Sale of investments		31,972	47,893	106,400	406,266	77,361	84,408	144,002	182,434	162,267	125,966
Interest received		617	209	2,455	2,380	842	578	2,814	1,693	5,037	3,251
Dividends and distributions received		1,458	822	4,193	2,937	1,160	1,436	5,539	9,727	911	1,721
Management fee rebates received		-	-	-	-	-	-	-	-	251	-
Other income		-	-	-	13	-	12	1	14	31	51
Purchase of investments		(36,415)	(26,752)	(123,744)	(304,595)	(76,315)	(77,308)	(179,228)	(138,339)	(170,142)	(122,955)
Net movement in term deposit principal		4,600	(4,600)	17,900	(20,900)	2,300	(4,300)	18,400	(23,400)	16,000	10,900
Payment of expenses		(1,475)	(1,551)	(5,027)	(6,802)	(2,433)	(2,457)	(6,401)	(6,369)	(1,535)	(1,549)
Net cash from/(used in) operating activities	10	756	16,021	2,176	79,299	2,915	2,369	(14,874)	25,760	12,821	17,385
Cash flows from financing activities											
Contributions		17,116	104	15,350	267	2,064	24	35,516	37,073	22,373	31,665
Withdrawals		(12,551)	(10,734)	(65,730)	(46,660)	(14,572)	(10,237)	(52,421)	(37,299)	(44,124)	(48,497)
Distribution to Unitholders		-	-	-	-	-	-	(2,105)	(2,041)	(2,667)	(2,017)
Net Unitholder attributed taxation		(130)	(161)	(1,245)	(1,180)	(412)	(374)	(1,265)	(820)	(357)	(4)
Net cash from/(used in) financing activities		4,435	(10,791)	(51,625)	(47,573)	(12,920)	(10,587)	(20,275)	(3,087)	(24,775)	(18,853)
Net increase/(decrease) in cash		5,191	5,230	(49,449)	31,726	(10,005)	(8,218)	(35,149)	22,673	(11,954)	(1,468)
Cash and cash equivalents at the beginning of the year		11,165	6,194	61,707	29,358	17,207	25,699	56,307	35,406	30,374	30,018
Effect of exchange rate fluctuations		63	(259)	24	623	(60)	(274)	168	(1,772)	336	1,824
Cash and cash equivalents at the end of the year		16,419	11,165	12,282	61,707	7,142	17,207	21,326	56,307	18,756	30,374

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 2024

1. GENERAL INFORMATION

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

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

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

The principal activity of the Funds is described below:

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

The Financial Statements cover the year ended 31 March 2024. Comparative information has been provided for the year ended 31 March 2023.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

(a) Standards and amendments to existing standards effective 1 April 2023

Disclosure of Accounting Policies – Amendments to NZ IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements

In the current year, the amendments replaced the requirement for entities to disclose significant accounting policies with a requirement to disclose material accounting policy information. There was no material impact on the financial statements of the Funds due to these amendments.

Other than above, there are no new standards or amendments to existing standards that are effective for the year commencing on 1 April 2023 that have a material effect on the Financial Statements of the Scheme and the Funds.

(b) Standards not yet issued and not yet effective

NZ IFRS 18 - Presentation and Disclosure in Financial Statements

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

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

2.2 Functional and presentation currency

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Financial instruments

(a) Classification

Financial assets

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

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

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

(ii) Financial assets at amortised cost:

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

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

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

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

Financial liabilities

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

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

(ii) Financial liabilities at amortised cost

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

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

(b) Recognition, measurement and derecognition

Financial assets and liabilities at fair value through profit or loss

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

Financial assets and liabilities at amortised cost

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Revenue recognition

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

2.5 Fair value hierarchy

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

Level one- fair value in active market

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

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

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

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

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

2.6 Expenses

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

2.7 Taxation

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

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

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

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

2.8 Goods and services tax ("GST")

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

2.9 Statements of Cash Flows

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

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Foreign currency

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

2.11 Distributions

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

2.12 Applications and redemptions

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

2.13 Offsetting financial instruments

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

2.14 Unitholder's funds

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

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

2.15 Related Parties

A party is related to the Funds if:

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

2.16 Comparatives

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

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

4. OFFSETTING

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

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

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund*		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
<i>Financial assets:</i>											
Amounts subject to offsetting:											
	Gross assets	-	94	-	366	-	181	-	430	-	161
	Gross liabilities offset	-	-	-	-	-	-	-	-	-	-
	Net amounts presented	-	94	-	366	-	181	-	430	-	161
Amounts not offsetting:											
	Financial instruments	-	(94)	-	(366)	-	(181)	-	(430)	-	(123)
	Cash collateral	-	-	-	-	-	-	-	-	-	-
	Net amount	-	-	-	-	-	-	-	-	-	38
<i>Financial liabilities:</i>											
Amounts subject to offsetting:											
	Gross liabilities	(567)	-	(1,708)	-	(870)	-	(2,436)	-	(253)	(123)
	Gross assets offset	-	-	-	-	-	-	-	-	-	-
	Net amounts presented	(567)	-	(1,708)	-	(870)	-	(2,436)	-	(253)	(123)
Amounts not offsetting:											
	Financial instruments	-	94	-	366	-	181	-	430	-	123
	Cash collateral	-	-	-	-	-	-	-	-	-	-
	Net amount	(567)	94	(1,708)	366	(870)	181	(2,436)	430	(253)	-

*For Pie Conservative Fund, comparatives have been restated to correctly disclose Amounts not offsetting. There is no impact to the Net amount.

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

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

* failure by a party to make a payment when due

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

* bankruptcy

The related amounts not set-off in the Statements of Comprehensive Income represent amounts that have not been offset in the Statements of Comprehensive Income but could be expected to be offset in the event of default by either the Fund or its counterparty to the derivative contract. For financial instruments this is the maximum value of assets and liabilities that could be offset. For cash collateral (2024: nil, 2023: 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 2024

5. FINANCIAL RISK MANAGEMENT

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

5.1 Market risk

(a) Price risk

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

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

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

Sensitivity analysis

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

The 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 Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Equities/funds	78,057	51,773	250,216	181,864	116,640	88,872	340,342	222,484	147,163	46,232
Impact of a +10% change in equity prices	7,806	5,177	25,022	18,186	11,664	8,887	34,034	22,248	14,716	4,623
Impact of a -10% change in equity prices	(7,806)	(5,177)	(25,022)	(18,186)	(11,664)	(8,887)	(34,034)	(22,248)	(14,716)	(4,623)

(b) Interest rate risk

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

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Market risk (Continued)

(b) Interest rate risk (Continued)

Cash flow sensitivity analysis

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

A variable of 100 basis points (1%) (2023: 100 basis points (1%)) was selected 2024 as this is a reasonable expected movement based on past overnight cash rate movements.

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

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents	Carrying amount	16,419	11,165	12,282	61,707	7,142	17,207	21,326	56,307	18,756	30,374
	Impact of a +1% change in interest rates	164	112	123	617	71	172	213	563	188	304
	Impact of a -1% change in interest rates	(164)	(112)	(123)	(617)	(71)	(172)	(213)	(563)	(188)	(304)
Term deposits	Carrying amount	-	4,657	3,137	21,188	2,091	4,400	5,228	23,646	13,685	29,179
	Impact of a +1% change in interest rates	-	47	31	212	21	44	52	236	137	292
	Impact of a -1% change in interest rates	-	(47)	(31)	(212)	(21)	(44)	(52)	(236)	(137)	(292)

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

Fair value interest rate risk

A variable of 100 basis points (1%) (2023: 100 basis point (1%)) was selected in 2024 for fair value interest risk as this is a reasonably expected movement based on historic trends in interest rates.

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

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fixed interest securities	Carrying amount	-	-	-	-	-	-	-	-	-	93,578
	Impact of a +1% change in interest rates	-	-	-	-	-	-	-	-	-	(4,377)
	Impact of a -1% change in interest rates	-	-	-	-	-	-	-	-	-	4,735

\$ thousands As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Convertible notes	Carrying amount	-	-	-	-	130	2,233	-	-	-	-
	Impact of a +1% change in interest rates	-	-	-	-	-	-	-	-	-	-
	Impact of a -1% change in interest rates	-	-	-	-	-	-	-	-	-	-

The Convertible note in Pie Australasian Emerging Companies Fund matures in 19 March 2024 thus interest rate movement is immaterial.

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Market risk (Continued)

(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 Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)										
Australian Dollar (AUD)	(46,135)	(27,961)	(156,922)	(99,599)	(74,879)	(48,184)	(216,717)	(126,132)	779	(5,876)
United States Dollar (USD)	-	(576)	-	153	-	(510)	1	2,059	(12,595)	(12,255)
Euro (EUR)	-	-	-	-	-	-	-	-	223	1,095
British Pound (GBP)	-	-	-	-	-	-	-	-	(1,126)	(1,945)
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	822	-

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 Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)										
<i>Exchange rates increased by 10%</i>										
Australian Dollar (AUD)	4,194	2,542	14,266	9,054	6,807	4,380	19,702	11,467	(71)	534
United States Dollar (USD)	-	52	-	(14)	-	46	-	(187)	1,145	1,114
Euro (EUR)	-	-	-	-	-	-	-	-	(20)	(100)
British Pound (GBP)	-	-	-	-	-	-	-	-	102	177
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	(75)	-
<i>Exchange rates decreased by 10%</i>										
Australian Dollar (AUD)	(5,126)	(3,107)	(17,436)	(11,067)	(8,320)	(5,354)	(24,080)	(14,015)	87	(653)
United States Dollar (USD)	-	(64)	-	17	-	(57)	-	229	(1,399)	(1,362)
Euro (EUR)	-	-	-	-	-	-	-	-	25	122
British Pound (GBP)	-	-	-	-	-	-	-	-	(125)	(216)
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	91	-

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):

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

(c) Currency Risk (continued)

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non-monetary assets/(liabilities)										
Australian Dollar (AUD)	74,456	48,677	243,165	181,864	115,419	89,853	340,342	222,484	-	16,228
United States Dollar (USD)	-	-	-	-	-	-	-	-	12,676	18,694
Euro (EUR)	-	-	-	-	-	-	-	-	-	4,118
British Pound (GBP)	-	-	-	-	-	-	-	-	1,407	3,258
Hong Kong Dollars (HKD)	-	-	-	-	-	-	-	-	-	1,554

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

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non-monetary assets/(liabilities)										
<i>Exchange rates increased by 10%</i>										
Australian Dollar (AUD)	(6,769)	(4,425)	(22,106)	(16,533)	(10,493)	(8,168)	(30,940)	(20,226)	-	(1,475)
United States Dollar (USD)	-	-	-	-	-	-	-	-	(1,152)	(1,699)
Euro (EUR)	-	-	-	-	-	-	-	-	-	(374)
British Pound (GBP)	-	-	-	-	-	-	-	-	(128)	(296)
Hong Kong Dollars (HKD)	-	-	-	-	-	-	-	-	-	(141)
<i>Exchange rates decreased by 10%</i>										
Australian Dollar (AUD)	8,273	5,409	27,018	20,207	12,824	9,984	37,816	24,720	-	1,803
United States Dollar (USD)	-	-	-	-	-	-	-	-	1,408	2,077
Euro (EUR)	-	-	-	-	-	-	-	-	-	458
British Pound (GBP)	-	-	-	-	-	-	-	-	156	362
Hong Kong Dollars (HKD)	-	-	-	-	-	-	-	-	-	173

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

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Liquidity risk

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

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

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

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial liabilities at fair value through profit or loss										
Less than one year	567	-	1,708	-	870	-	2,436	-	253	123
Trade and other payables										
Less than one year	209	1,820	2,565	2,410	10	7	201	347	109	7,900
Related party payables										
Less than one year	143	107	405	427	199	181	567	490	140	117

5.3 Credit risk

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

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

(a) Credit quality

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

\$ As at 31 March		Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents											
Rating Category	AA-	16,419	11,165	12,282	56,069	7,142	16,703	21,326	54,230	18,756	29,654
Rating Category	A-	-	-	-	5,638	-	504	-	2,077	-	720
Term Deposits											
Rating Category	AA- AA AA+	-	3,010	3,137	15,113	2,091	2,032	5,228	17,056	13,685	29,179
Rating Category	A- A A+	-	1,647	-	6,075	-	2,368	-	6,589	-	-
Fixed interest securities											
Rating Category	AA- AA AA+ AAA	-	-	-	-	-	-	-	-	-	33,956
Rating Category	A- A A+	-	-	-	-	-	-	-	-	-	7,244
Rating Category	BBB- BBB BBB+ BB+	-	-	-	-	-	-	-	-	-	23,075
Rating Category	NR	-	-	-	-	-	-	-	-	-	29,301
Convertible Notes											
Rating Category	NR	-	-	-	-	130	2,233	-	-	-	-
Equity options											
Rating Category	NR	-	-	-	-	298	-	-	-	-	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Credit risk (Continued)

As at 31 March 2024 there were no financial assets past due or impaired (31 March 2023: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 Fund's credit positions on a daily basis. The Risk & Compliance Committee reviews on a quarterly basis.

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

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

As at 31 March 2024 and 31 March 2023:

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

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

5.4 Capital risk management

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

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unitholders funds \$'000	93,667	66,568	261,955	264,230	126,936	114,317	365,370	305,944	181,337	192,675
Units '000	12,395	11,875	100,442	122,873	19,322	21,494	77,479	80,275	152,750	170,595

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

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

\$ As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Distributions	-	-	-	-	-	-	7,839	7,985	4,328	3,452

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.5 Fair value estimation

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

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

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

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

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Level 1 assets										
New Zealand equities	3,601	3,096	7,051	-	1,519	503	-	-	-	-
Australian equities	74,456	48,677	243,165	181,864	115,121	88,369	340,342	222,484	-	16,228
International equities	-	-	-	-	-	-	-	-	14,083	25,713
Listed International managed funds	-	-	-	-	-	-	-	-	-	1,911
Total level 1 assets	78,057	51,773	250,216	181,864	116,640	88,872	340,342	222,484	14,083	43,852
Level 2 assets										
New Zealand PIE funds	-	-	-	-	-	-	-	-	132,951	-
Fixed interest securities	-	-	-	-	-	-	-	-	-	93,578
Preference shares	-	-	-	-	-	-	-	-	129	2,380
Equity options	-	-	-	-	298	-	-	-	-	-
Forward foreign exchange contracts	-	94	-	366	-	181	-	430	-	161
Total level 2 assets	-	94	-	366	298	181	-	430	133,080	96,119
Level 3 assets										
Convertible notes	-	-	-	-	130	2,233	-	-	-	-
Total level 3 assets	-	-	-	-	130	2,233	-	-	-	-
Total financial assets at fair value through profit or loss	78,057	51,867	250,216	182,230	117,068	91,286	340,342	222,914	147,163	139,971
Level 2 liabilities										
Forward foreign exchange contracts	567	-	1,708	-	870	-	2,436	-	253	123
Total level 2 liabilities	567	-	1,708	-	870	-	2,436	-	253	123
Total financial liabilities at fair value through profit or loss	567	-	1,708	-	870	-	2,436	-	253	123

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

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 trades on, the Manager has estimated its fair value using the market data that is available and the fund administrator's internal valuation models. This measurement basis falls within level 3 of the fair value hierarchy as significant inputs to the estimated fair value are not based on observable market data.

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

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

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

The Level 3 investments at 31 March 2024 and 31 March 2023 in the Pie Australasian Growth Fund are investments in Southern Cross Payment Limited (ISX, formerly iSignthis Limited) and Palla Pharma Limited (PAL).

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

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

The Level 3 investments at 31 March 2024 in the Pie Australasian Emerging Companies Fund include investments in Universal Equivalent Technology Ltd and Orbx Investments Ltd Convertible Note issued by a private company.

The Orbx Investments Ltd Convertible Notes were issued by private companies. There was no active market for the convertible notes and the fair value was determined by the Manager based on an estimate of fair value. This measurement basis fall within Level 3 of the fair value hierarchy as significant inputs are not based on observable market data.

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

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

Industry	Fair Value as at 31 March 2024 \$ thousands	Valuation technique	Unobservable input	Discount rate %	Reasonable shift +/- (absolute value)	Change in valuation \$ thousands
Pie Australasian Emerging Companies Fund						
Convertible notes						
Technology	130	Discounted cash flow based	Coupon rate	10%	10%	13/(13)
Industry	Fair Value as at 31 March 2023 \$ thousands	Valuation technique	Unobservable input	Range (weighted average)	Reasonable shift +/- (absolute value)	Change in valuation \$ thousands
Pie Australasian Emerging Companies Fund						
Convertible notes						
Technology	923	Discounted cash flow based	Coupon rate	10%	10%	92/(92)
Industrials	1,310	Discounted cash flow based	Coupon rate	10%	10%	131/(131)

Shareholding

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.6 Level 3 movement analysis

\$ thousands As at 31 March	Pie Australasian Emerging Companies Fund	
	2024	2023
Convertible notes		
Opening balance	2,233	2,321
Accrued interest	(174)	94
(Loss)/gain recognised in the Statements of Comprehensive Income	(434)	(182)
Sales	(1,495)	-
Closing balance	130	2,233

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

6. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

\$ thousands As at 31 March	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>Financial assets at fair value through profit or loss</i>										
New Zealand equities	3,601	3,096	7,051	-	1,519	503	-	-	-	-
Australian equities	74,456	48,677	243,165	181,864	115,121	88,369	340,342	222,484	-	16,228
International equities	-	-	-	-	-	-	-	-	14,083	25,713
International managed funds	-	-	-	-	-	-	-	-	-	1,911
New Zealand PIE funds	-	-	-	-	-	-	-	-	132,951	-
Fixed interest securities	-	-	-	-	-	-	-	-	-	93,578
Convertible notes	-	-	-	-	130	2,233	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-	129	2,380
Equity options	-	-	-	-	298	-	-	-	-	-
Forward foreign exchange contracts	-	94	-	366	-	181	-	430	-	161
Total financial assets at fair value through profit or loss	78,057	51,867	250,216	182,230	117,068	91,286	340,342	222,914	147,163	139,971
<i>Financial liabilities at fair value through profit or loss</i>										
Forward foreign exchange contracts	567	-	1,708	-	870	-	2,436	-	253	123
Total financial liabilities at fair value through profit or loss	567	-	1,708	-	870	-	2,436	-	253	123

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

7. RELATED PARTIES

7.1 Manager and Supervisor

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

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

\$ thousands As at 31 March	Pie Australasian Growth Fund*		Pie Australasian Growth 2 Fund*		Pie Australasian Emerging Companies Fund*		Pie Australasian Dividend Growth Fund*		Pie Conservative Fund*		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Fees paid and payable to related parties for the year ended 31 March are as follows:											
Pie Funds Management Limited:	Management fee expense	1,402	1,414	4,596	5,483	2,195	2,180	5,940	5,792	1,422	1,392
	Management fee payable	143	107	405	427	199	181	567	490	140	117
	Management fee rebates	-	-	-	-	-	-	-	-	350	-
	Management fee rebates receivable	-	-	-	-	-	-	-	-	99	-
Certain costs paid by the Manager on behalf of the Funds:											
Trustees Executors Limited	Supervisor	17	17	55	64	26	26	71	69	35	44
PricewaterhouseCoopers	Audit fee expense	14	14	14	14	14	14	14	14	14	14

*Comparative supervisor fees have been correctly restated for the Pie Australasian Growth Fund to \$17K from \$2K; the Pie Australasian Growth 2 Fund to \$64K from \$8K; the Pie Australasian Emerging Companies Fund to \$26K from \$3K; the Pie Australasian Dividend Growth Fund to \$69K from 8K; and the Pie Conservative Fund to \$44K from \$5K. There is no impact on the Statements of Comprehensive Income, Statements of Financial position and Statements of Cash flows.

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

\$ thousands As at 31 March	Pie Australasian Growth Fund*		Pie Australasian Growth 2 Fund*		Pie Australasian Emerging Companies Fund*		Pie Australasian Dividend Growth Fund*		Pie Conservative Fund*		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Unit holdings and movements in the Funds for the Manager, Directors of the Manager, key management personnel and their close relatives:											
	Units ('000)	151	120	803	841	237	208	235	212	4,761	5,077
	(\$'000)	1,140	673	2,093	1,808	1,556	1,109	1,109	809	5,650	5,734
	% Net Assets	1.22%	1.01%	0.80%	0.68%	1.23%	0.97%	0.30%	0.26%	3.12%	2.98%
	Purchases ('000)	81	4	118	83	147	3	117	83	126	175
	\$'000	563	22	256	178	814	17	490	341	146	196
	Sales('000)	50	2	156	55	119	5	94	60	443	194
	\$'000	364	6	351	108	653	17	373	220	450	194

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

On 6 December 2023, the Pie Conservative Fund sold fixed interest securities of \$94,689,121 to Pie Fixed Income Fund via inspecies interfunding transfer. A contribution for the same amount and on the same date occurred in the Pie Fixed Income Fund as a result of this transfer of investments from Pie Conservative Fund to Pie Fixed Income Fund.

On 6 December 2023, the Pie Conservative Fund sold property & infrastructure investments of \$10,331,085 to the Pie Property & Infrastructure Fund via inspecies interfunding transfer. A contribution for the same amount and on the same date occurred in the Pie Property & Infrastructure Fund as a result of this transfer of investments from Pie Conservative Fund to Pie Property & Infrastructure Fund.

7.2 Investment by the Funds in related parties

\$ thousands For the year ended 31 March 2024	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Pie Australasian Growth 2 Fund	Carrying amount	-	-	-	-	-	-	-	-	5,854	-
	% net assets	-	-	-	-	-	-	-	-	3.23%	-
Pie Global Growth Fund	Carrying amount	-	-	-	-	-	-	-	-	3,583	-
	% net assets	-	-	-	-	-	-	-	-	1.98%	-
Pie Global Growth 2 Fund	Carrying amount	-	-	-	-	-	-	-	-	10,864	-
	% net assets	-	-	-	-	-	-	-	-	5.99%	-
Pie Fixed Income Fund	Carrying amount	-	-	-	-	-	-	-	-	99,055	-
	% net assets	-	-	-	-	-	-	-	-	54.62%	-
Pie Property & Infrastructure Fund	Carrying amount	-	-	-	-	-	-	-	-	13,532	-
	% net assets	-	-	-	-	-	-	-	-	7.46%	-

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

7. RELATED PARTIES (continued)

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

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March 2024										
Pie Australasian Growth 2 Fund	-	-	-	-	-	-	-	-	554	-
Pie Global Growth Fund	-	-	-	-	-	-	-	-	333	-
Pie Global Growth 2 Fund	-	-	-	-	-	-	-	-	64	-
Pie Fixed Income Fund	-	-	-	-	-	-	-	-	2,366	-
Pie Property & Infrastructure Fund	-	-	-	-	-	-	-	-	701	-

7.4 Investments in the Funds by related parties

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March										
Pie Chairman's Fund	Carrying amount	11,021	17,538	19,008	38,479	-	-	-	-	-
	% net assets	16.56%	6.64%	16.63%	12.58%	-	-	-	-	-
Pie Conservative Fund	Carrying amount	-	5,854	-	-	-	-	-	-	-
	% net assets	-	2.23%	-	-	-	-	-	-	-

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

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March 2024										
Pie Chairman's Fund	4,034	(2,562)	3,720	(4,940)	4,677	(1,697)	9,920	(5,058)	-	-
Pie Conservative Fund	-	-	554	-	-	-	-	-	-	-

8. TRADE AND OTHER RECEIVABLES

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March										
Interest receivable	21	16	8	39	14	189	31	30	9	164
Dividends receivable	212	86	360	822	436	257	1,055	607	1	77
Futures margin accounts	3	529	25	1,947	8	1,041	9	2,182	195	1,213
Contributions receivable	-	-	1	-	-	-	183	16	-	100
Due from brokers	-	299	883	177	1,265	491	711	2,183	2,449	-
Total trade and other receivables	236	930	1,277	2,985	1,723	1,978	1,989	5,018	2,654	1,554

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 Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March										
Withdrawals payable	107	94	327	1,145	10	7	201	331	109	370
Due to brokers	102	1,726	2,238	1,265	-	-	-	-	-	7,430
Other payables	-	-	-	-	-	-	-	16	-	100
Total trade and other payables	209	1,820	2,565	2,410	10	7	201	347	109	7,900

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.

Notes to and Forming Part of the Financial Statements for the year ended 31 March 2024

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

\$ thousands	Pie Australasian Growth Fund		Pie Australasian Growth 2 Fund		Pie Australasian Emerging Companies Fund		Pie Australasian Dividend Growth Fund		Pie Conservative Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March 2024										
Net profit/(loss) after tax attributable to Unitholders	22,679	(16,630)	47,767	(61,990)	25,185	(10,028)	78,595	(32,329)	13,431	(536)
Non cash items										
Dividends reinvested	-	-	(461)	(58)	(296)	(188)	(132)	(87)	-	(418)
Non cash Interest	-	-	-	-	-	-	-	-	(802)	-
Realised losses on in specie sale of financial assets	-	-	-	-	-	-	-	-	226	-
Unrealised changes in the fair value of financial assets	(18,310)	4,502	(40,449)	(28,174)	(18,168)	(280)	(54,716)	31,587	(14,832)	808
Foreign exchange losses/(gains) on cash at bank	(63)	63	(24)	(1,428)	60	(6)	(168)	1,414	(336)	(2,145)
	(18,373)	4,565	(40,934)	(29,660)	(18,404)	(474)	(55,016)	32,914	(15,744)	(1,755)
Movements in working capital items										
Decrease/(increase) in trade other receivables	220	1,127	(31)	29	(778)	59	1,040	(2,177)	(2,130)	(510)
(Decrease)/increase in trade and other payables	(1,624)	1,726	973	1,265	-	(826)	-	-	(7,430)	6,030
Increase/(decrease) in trade and other payables to related parties	36	(40)	(22)	(131)	18	(26)	77	(28)	23	(12)
(Increase)/Decrease in cost of investments	(2,182)	25,273	(5,577)	169,786	(3,106)	13,664	(39,570)	27,380	24,669	14,168
	(3,550)	28,086	(4,657)	170,949	(3,866)	12,871	(38,453)	25,175	15,132	19,676
Net cash flows from/(used in) operating activities	756	16,021	2,176	79,299	2,915	2,369	(14,874)	25,760	12,820	17,385

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no material commitments or contingent liabilities as at 31 March 2024 (31 March 2023: nil).

12. EVENTS AFTER BALANCE DATE

Changes in unit price

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

On 23 April 2024 the Pie KiwiSaver Growth Fund completed an inspecie transfer of stock for units in the Pie Australasian Growth 2 Fund with value of \$28,274,000.

Other than 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 2024 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 Australasian Growth Fund
- Pie Australasian Growth 2 Fund
- Pie Australasian Emerging Companies Fund
- Pie Australasian Dividend Growth 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 2024, their financial performance and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2024;
- the statements of comprehensive income for the year then ended;
- the statements 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, comprising material accounting policy information 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 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 and tax representative services and the audit of financial statements of other funds 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of financial assets and financial liabilities at fair value through profit or loss</p> <p>Refer to note 6 to the financial statements for the reported values of financial assets and financial liabilities (“financial instruments”) at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets of the Funds.</p> <p>Valuation</p> <p>The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and are categorised as level 1 in the fair value hierarchy.</p> <p>The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques. The valuation technique depends on the underlying financial instrument and includes assumptions that are based on market conditions existing at the reporting date.</p> <p>Such financial instruments with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy.</p> <p>Where a significant input is not observable the financial instrument is categorised at level 3 in the fair value hierarchy.</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial instruments at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the processes included obtaining the internal control reports over investment accounting and unit pricing provided by the Administrator.</p> <p>We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator for the period 1 April 2023 to 31 March 2024.</p> <p>For financial instruments where quoted market prices in an active market were available, we compared the market price at the reporting date to independent third party pricing sources.</p> <p>For financial instruments that are not traded in an active market and with inputs that are observable either directly or indirectly, we:</p> <ul style="list-style-type: none"> agreed the observable inputs to third party pricing sources and used our PwC valuation experts to evaluate the fair value, using independent valuation models, or agreed the redemption price at the reporting date, to the confirmation provided by the unlisted fund’s administrator. We evaluated that the redemption price represents fair value by comparing the Net Asset Value per unit calculated based on the latest financial statements of the underlying unlisted fund to the published unit price on that date to provide evidence of the reliability of unit pricing.



Description of the key audit matter	How our audit addressed the key audit matter
<p>As disclosed in notes 5.5 and 5.6 to the financial statements, the Pie Australasian Emerging Companies Fund has \$130,000 (2023: \$2,233,000) invested in convertible notes where there are significant unobservable inputs.</p> <p>For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the exchange rates at the reporting date.</p> <p>Existence</p> <p>Holdings of certain financial instruments at fair value through profit or loss are held by the Custodian on behalf of the Funds. The Custodian uses a sub-custodian for certain financial instruments.</p> <p>For financial instruments at fair value through profit or loss not held by the Custodian, the position is recorded by the financial institutions.</p>	<p>For financial instruments where a significant input is not observable we assessed the valuation performed by the Manager.</p> <p>We have assessed the reasonableness of the exchange rates used to translate financial instruments quoted in foreign currencies.</p> <p>We obtained confirmation from the Custodian, sub-custodian and financial institutions of the holdings and positions of the financial instruments held by the Funds as at the reporting date.</p>

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 the sub-custodian where applicable. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to a third party service provider.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report and the climate statements to be published at a later date. The annual report and the climate statements are 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 Accounting Standards, 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
26 July 2024

Auckland