



Pie KiwiSaver Scheme (formerly known as Juno KiwiSaver Scheme)
Financial Statements
For the year ended 31 March 2024

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Pie KiwiSaver Scheme (formerly known as Juno KiwiSaver Scheme) as at 31 March 2024 and the results for the year ended on that date in accordance with the requirements of the Pie KiwiSaver Scheme's Governing Document dated 5 July 2018.

The Manager is of the opinion that the Pie KiwiSaver Scheme will be able to pay its debts as and when they fall due.

Director



Director



For and behalf of Pie Funds Management Limited

Date

26 July 2024

Statements of Changes in Net Assets

\$	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March									
Income									
Interest income on financial assets at amortised cost		629,553	511,762	486,363	594,483	4,074,345	2,492,693	5,190,261	3,598,938
Dividend and distribution income		16,938	49,874	-	-	5,607,010	6,336,589	5,623,948	6,386,463
Foreign exchange gains/(losses) on financial instruments at amortised cost		30,206	68,460	-	-	765,283	5,266,815	795,489	5,335,275
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		1,617,452	(603,785)	8,073,820	(1,607,468)	64,417,788	(26,048,717)	64,871,255	(27,224,390)
Other income		4,309	6,350	-	-	78,887	108,556	83,196	114,906
Total income/(loss)		2,298,458	32,661	8,560,183	(1,012,985)	74,943,313	(11,844,064)	76,564,149	(11,788,808)
Expenses									
Management and administration fees	8	190,407	192,746	363,989	337,016	2,795,410	2,489,233	3,349,806	3,018,995
Management fee rebates		(29,619)	(1,924)	(23,750)	(96)	(465,339)	(19,830)	(518,708)	(21,850)
Transaction costs		187	6,197	-	-	795,831	1,335,352	796,018	1,341,549
Other expenses		78	101	92	96	1,720	209	1,890	406
Total expenses		161,053	197,120	340,331	337,016	3,127,622	3,804,964	3,629,006	4,339,100
Net profit/(loss) before membership activities		2,137,405	(164,459)	8,219,852	(1,350,001)	71,815,691	(15,649,028)	72,935,143	(16,127,908)
Contributions									
Member contributions		2,190,844	2,350,613	3,618,663	3,837,085	29,220,426	31,378,741	35,029,933	37,566,439
Employer contributions		1,245,392	1,341,135	1,953,071	2,030,334	16,213,222	17,376,435	19,411,685	20,747,904
Crown contributions		414,177	429,746	660,951	677,824	4,801,167	5,206,606	5,876,295	6,314,176
Transfers from other Funds in the Scheme		4,616,451	13,649,480	5,017,298	7,794,086	9,974,653	8,688,922	-	-
Transfers from other KiwiSaver schemes		708,776	1,788,963	878,819	1,890,324	4,837,393	6,716,447	6,424,988	10,395,734
Transfers from Australian superannuation schemes		15,424	293,822	45,395	178,206	494,892	770,198	555,711	1,242,226
Lump sum contributions		152,423	329,875	1,578,394	1,595,646	9,606,816	15,533,428	5,637,633	6,308,949
Other income		861	142	1,238	281	11,348	9,845	13,447	10,268
		9,344,348	20,183,776	13,753,829	18,003,786	75,159,917	85,680,622	72,949,692	82,585,696
Withdrawals									
Transfers to other Funds in the Scheme		7,803,270	7,784,097	5,773,033	7,997,266	6,032,099	14,351,125	-	-
Transfers to other KiwiSaver schemes		3,941,138	3,666,130	5,921,083	4,263,341	56,551,050	22,566,517	66,413,271	30,495,988
Member attributed taxation		255,181	35,767	309,159	65,043	2,920,814	2,186,020	3,485,154	2,286,830
Withdrawals on death		14,227	-	87,746	46,085	137,872	159,343	239,845	205,428
Transfers of members' accumulations out of scheme into Australian superannuation schemes		290,441	228,749	166,124	21,078	1,032,179	173,266	1,488,744	423,093
Withdrawals or transfers on permanent emigration		80,390	485,549	52,129	-	486,379	80,260	618,898	565,809
Invalid enrolment withdrawals		-	739	-	-	4,453	4,587	4,453	5,326
Member eligible withdrawals		326,622	1,353,642	899,966	943,988	3,009,281	2,083,150	4,235,869	4,380,780
Serious illness withdrawals		9,441	24,597	25,708	129,162	66,935	147,268	102,084	301,027
First home purchase withdrawals		3,071,105	2,478,716	1,205,597	830,990	4,556,208	2,537,948	8,832,910	5,847,654
Significant financial hardship withdrawals		348,379	87,432	119,986	104,696	536,685	513,405	1,005,050	705,533
Other permitted withdrawals		-	-	3,343,922	-	4,172,822	2,031	426,958	2,031
		16,140,194	16,145,418	17,904,453	14,401,649	79,506,777	44,804,920	86,853,236	45,219,499
Net membership activities		(6,795,846)	4,038,358	(4,150,624)	3,602,137	(4,346,860)	40,875,702	(13,903,544)	37,366,197
Members' accounts at the start of the year		29,658,361	25,784,462	62,283,322	60,031,186	442,860,333	417,633,659	478,251,554	457,013,265
Movements in members' accounts for the year		(4,658,441)	3,873,899	4,069,228	2,252,136	67,468,831	25,226,674	59,031,599	21,238,289
Members' accounts at the end of the year		24,999,920	29,658,361	66,352,550	62,283,322	510,329,164	442,860,333	537,283,152	478,251,554

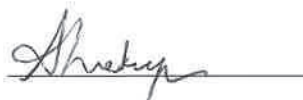
The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Net Assets

\$ As at 31 March	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Members' Funds	4.1.3	24,999,920	29,658,361	66,352,550	62,283,322	510,329,164	442,860,333	537,283,152	478,251,554
<i>Represented by:</i>									
Current assets									
Cash and cash equivalents		3,646,161	4,548,880	1,841,519	1,927,799	20,879,265	43,987,673	26,366,945	50,464,352
Trade and other receivables	9	67,055	264,764	132,042	193,319	1,206,267	21,969,638	1,395,364	22,427,721
Term deposits		250,000	3,150,000	-	2,400,000	-	4,000,000	250,000	9,550,000
Financial assets at fair value through profit or loss	5.1	21,308,889	22,255,611	64,917,200	57,942,372	497,620,803	405,973,043	519,448,410	429,620,564
Member attributed taxation		214	1,317	2,505	1,933	13,761	6,507	16,480	9,757
Total current assets		25,262,319	30,220,572	66,893,266	62,465,423	519,720,096	475,936,861	547,477,199	512,072,394
Current liabilities									
Trade and other payables	10	64,828	511,171	258,411	97,045	753,637	31,319,326	1,076,876	31,927,542
Financial liabilities at fair value through profit or loss	5.2	-	-	-	-	6,787,670	504,712	6,787,670	504,712
Member attributed taxation		197,571	51,040	282,305	85,056	1,849,625	1,252,490	2,329,501	1,388,586
Total current liabilities		262,399	562,211	540,716	182,101	9,390,932	33,076,528	10,194,047	33,820,840
Net assets available for benefits		24,999,920	29,658,361	66,352,550	62,283,322	510,329,164	442,860,333	537,283,152	478,251,554

These financial statements were authorised for issue by the Manager, Pie Funds Management Limited.

Director



Date 26 July 2024

Director



Date 26 July 2024

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Cash Flows

\$	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Cash flows from operating activities									
<i>Cash was provided from:</i>									
Sale of investments		17,095,923	11,554,166	10,819,976	6,259,013	416,737,624	391,362,746	437,563,737	409,175,925
Interest received		710,609	391,611	619,796	505,883	4,173,019	1,571,779	5,503,424	2,469,273
Dividend and distribution income		16,938	49,874	-	-	5,571,558	6,279,392	5,588,496	6,329,266
Other Income		26,342	8,984	16,491	114	492,951	64,666	535,784	73,764
<i>Cash was applied to:</i>									
Purchase of investments		(14,931,134)	(13,777,306)	(9,696,853)	(13,743,054)	(448,277,517)	(468,351,256)	(467,205,504)	(484,721,616)
Net decrease/(increase) in term deposits		2,900,000	350,000	2,400,000	(400,000)	4,000,000	(1,500,000)	9,300,000	(1,550,000)
Payment to suppliers		(190,672)	(199,044)	(364,081)	(337,112)	(3,640,118)	(3,777,637)	(4,194,871)	(4,313,793)
Net cash inflow/(outflow) from operating activities	11	5,628,006	(1,621,715)	3,795,329	(7,715,156)	(20,942,483)	(74,350,310)	(12,908,934)	(72,537,181)
Cash flows from financing activities									
Contributions received		9,390,386	20,119,510	13,657,542	17,997,647	75,261,467	85,740,971	73,000,993	82,575,640
Withdrawals paid		(15,951,317)	(16,053,745)	(17,539,151)	(14,484,412)	(78,227,552)	(47,704,884)	(85,019,832)	(48,110,553)
Net cash (outflow)/inflow from financing activities		(6,560,931)	4,065,765	(3,881,609)	3,513,235	(2,966,085)	38,036,087	(12,018,839)	34,465,087
Net (decrease)/increase in cash and cash equivalents		(932,925)	2,444,050	(86,280)	(4,201,921)	(23,908,568)	(36,314,223)	(24,927,773)	(38,072,094)
Cash and cash equivalents at the beginning of the year		4,548,880	2,036,370	1,927,799	6,129,720	43,987,673	76,515,068	50,464,352	84,681,158
Effect of exchange rate fluctuations		30,206	68,460	-	-	800,160	3,786,828	830,366	3,855,288
Cash and cash equivalents at the end of the year		3,646,161	4,548,880	1,841,519	1,927,799	20,879,265	43,987,673	26,366,945	50,464,352

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. General information

Reporting entity

The reporting entity is the Pie KiwiSaver Scheme ("the Scheme", formerly known as Juno KiwiSaver Scheme). The Scheme is made up of three funds ("the Funds"):

- Pie KiwiSaver Conservative Fund ("Conservative Fund"), (formerly known as Juno KiwiSaver Conservative Fund)
- Pie KiwiSaver Balanced Fund ("Balanced Fund"), (formerly known as Juno KiwiSaver Balanced Fund)
- Pie KiwiSaver Growth Fund ("Growth Fund"), (formerly known as Juno KiwiSaver Growth Fund)

The Manager of the Scheme is Pie Funds Management Limited ("the Manager") and the Supervisor of the Scheme is Trustees Executors Limited ("the Supervisor"). The Scheme is registered and domiciled in New Zealand. The registered office of the Scheme is Level One, 1 Byron Avenue, Takapuna, Auckland.

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received. The Scheme is registered as a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

The Scheme has been launched with the issuance of the Scheme's Governing Document on 5 July 2018 and commenced operations on 27 August 2018. The Scheme changed its name from Juno KiwiSaver Scheme to Pie KiwiSaver Scheme on 5 December 2023, and the Funds changed their names from Juno KiwiSaver Conservative Fund, Juno KiwiSaver Balanced Fund and Juno KiwiSaver Growth Fund to Pie KiwiSaver Conservative Fund, Pie KiwiSaver Balanced Fund and Pie KiwiSaver Growth Fund respectively.

The Financial Statements for the Scheme and the Funds are for the year ended 31 March 2024. Comparative information has been provided for the year ended 31 March 2023.

The principal activities of the Funds are described below:

- The Pie KiwiSaver Conservative Fund seeks to preserve members' capital with modest capital growth over a period exceeding 3 years. The Fund invests primarily in fixed interest and cash, with an allocation to equities, directly and/or through investment in the Pie KiwiSaver Balanced Fund and/or through other funds also managed by Pie Funds.
- The Pie KiwiSaver Balanced Fund seeks to provide members with steady capital growth over a period exceeding 5 years. The Fund invests in equities, with a reasonable allocation towards fixed interest, directly and/or through investment in the Pie KiwiSaver Growth Fund and/or through other funds also managed by Pie Funds.
- The Pie KiwiSaver Growth Fund seeks to maximise capital growth for members over a period exceeding 7 years. The Fund invests primarily in International and Australasian equities with a focus on globally-known brands, along with a cash and fixed interest exposure, directly and/or through investment in other funds also managed by Pie Funds.

Statutory base

The Pie KiwiSaver Scheme is registered under the Financial Markets Conduct Act 2013 (FMC Act) as a KiwiSaver Scheme. The Scheme is a trust vehicle governed by a Governing Document dated 5 July 2018.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for for-profit entities. The financial statements also comply with International Financial Reporting Standards Accounting Standards as issued by the IASB ("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 in Note 2.3(c). The accrual basis of accounting has been applied, as has the going concern assumption.

The results, positions and cash flows reported for the Scheme are prepared on a consolidated basis, with the elimination of interfund transactions and balances between funds.

(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 Investment entity

The Scheme meets the definition of investment entities per NZ IFRS 10 'Consolidated financial statements' as the following conditions exist:

- (a) The Scheme has obtained funds for the purpose of providing investors with investment management services.
- (b) The Scheme's business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- (c) The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.

The Scheme also displays all four typical characteristics that are associated with an investment entity:

1. it has more than one investment;
2. has more than one investor;
3. investors that are not related parties; and
4. ownership interest in the Scheme is represented by respective units held in the Funds.

Notes to the Financial Statements

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, determined on the basis of both (a) the Scheme's business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

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

Financial assets at fair value through the profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Scheme is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Scheme's debt securities are solely principal and interest, however, the debt securities, other than term deposits, are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental in achieving the Scheme's business model. As a result these debt securities are classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss comprise of equities, funds/unit trusts, preference shares and forward foreign exchange contracts.

(ii) Financial assets at amortised cost

(a) **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.

(b) **Unsettled investment sales** included in trade and other receivables, are receivables for securities sold but not yet settled on the statement of net assets at balance date. The unsettled trade receivable balance is held for collection.

(c) **Receivables, other than unsettled investment sales**, includes margin accounts and interest receivable, dividend receivable, distribution receivable and contribution receivable.

(d) **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 are classified as financial assets at amortised cost.

Financial liabilities

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

Financial liabilities at fair value through the profit or loss can be either designated as such upon initial recognition or 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. All financial liabilities are mandatorily measured at fair value through profit or loss. 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

(a) **Payables, other than unsettled investment purchases** are amounts representing liabilities and accrued expenses owing by the Funds at balance date. These amounts include related party fees payable, distributions payable, redemptions payable and withdrawals payable.

(b) **Unsettled investment purchases** included in trade and other payables, are payables for securities purchased but not yet settled on the statement of net assets at balance date.

(b) Recognition, derecognition and measurement

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

The Scheme recognises financial assets and liabilities at fair value through the profit or loss 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 Changes in Net Assets. Financial assets 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 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 Changes in Net Assets 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 Changes in Net Assets 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 Changes in Net Assets. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment.

(ii) Financial assets and liabilities at amortised cost

The Scheme recognises financial assets and liabilities at amortised cost on the date it becomes party 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 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 amortised cost are derecognised when the obligation under the 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 Scheme 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. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all criteria considered in determining the expected credit loss. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme shall measure the loss allowance at an amount equal to 12 month expected credit losses. 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.

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

(c) Fair value estimation

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date in the principal or, in its absence, the most advantageous market to which the Scheme had access at that date. The fair value of a liability reflects its non-performance risk.

Fair value in an active market

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

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Scheme uses a variety of methods and make assumptions that are based on market conditions existing at each balance date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Fair value classifications of the Scheme's financial assets and liabilities are detailed in Note 4.3.

Fair value of forward foreign exchange contracts

Forward foreign exchange contracts are primarily used by the Scheme to economically hedge against foreign currency exchange rate risks on its non-New Zealand dollar denominated trading securities. The Scheme agrees to receive or deliver a fixed quantity of foreign currency for an agreed price on an agreed future date. The fair value of forward foreign exchange contracts is determined using valuation techniques based on spot exchange rates and forward points supplied by WM/Reuters. The Scheme recognises a gain or loss equal to the change in fair value at the balance date.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets 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.

2.5 Revenue recognition

(a) Dividend and distribution income are recognised in the Statements of Changes in Net Assets when the Scheme's right to receive payment is established.

(b) Interest income on financial assets at amortised cost are included under Income in the Statements of Changes in Net Assets and are recognised as interest in the Statements of Changes in Net Assets and are recognised as interest on a time-proportionate basis using the effective interest rate method. Interest income on financial assets at amortised cost comprises of interest earned on bank accounts, margin accounts and 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 Changes in Net Assets as disclosed in Note 2.3.

(d) Foreign exchange gains and losses on cash and financial instruments at fair value through profit or loss are recognised in the Statements of Changes in Net Assets as disclosed in note 2.10.

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

2.6 Expenses

Management and administration fees are charged monthly per member via a unit deduction payment when they arise. These fees cover the fees of the Manager, the supervisor, the custodian and expenses associated with running of the Scheme. Refer to Note 8.1 for further details. Any ad hoc expenses directly attributable to the Funds such as bank fees and transaction costs are recognised on an accrual basis. 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 members and therefore the Funds, and Scheme as a whole, have no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets.

Under the PIE regime, the Manager attributes the taxable income of the Funds to members in accordance with the proportion of their overall interest in the Funds. The income attributed to each member is taxed at the member's "Prescribed Investor Rate" which is capped at 28%. The Manager accounts for tax on behalf of members and undertakes any necessary adjustments to the members' interests in the Funds to reflect that the Scheme pays tax at varying rates on behalf of members.

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

The tax attributable to members is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Positions taken in attributing taxable income to members, with respect to situations in which applicable tax regulations are subject to interpretation, are evaluated by the Manager as required.

Notes to the Financial Statements

2. Summary of material accounting policies (continued)

2.8 Goods and Services Tax (GST)

The Scheme is not registered for GST. All items in the Statements of Changes in Net Assets and the Statements of Net Assets 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 Scheme's main income generating activity.
- (b) Financing activities are those activities that result in changes in the size and composition of members' funds.
- (c) Cash is considered to be cash on hand and current accounts in banks, net of bank overdraft.

2.10 Foreign currencies

(a) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Scheme's functional currency, on the basis that the Scheme's investors are mainly based in New Zealand, with the contributions and withdrawals denominated in New Zealand dollars.

(b) Transactions and balances

Transactions denominated in foreign currencies are recognised at the exchange rates on the date of the transactions. Assets and liabilities as at balance date denominated in foreign currencies are translated at the foreign currency exchange rates on that date. Realised and unrealised exchange gains and losses during the financial year are recognised in the Statements of Changes in Net Assets.

2.11 Net assets available for benefits

The net assets available for benefits represents the liability for promised retirement benefits and are measured at amortised cost. The Funds' issue units that are redeemable at the Members' option and do not have identical features and are therefore classified as financial liabilities. Units are redeemed for the purpose of permitted withdrawals (such as reaching the retirement age of 65 or enduring significant hardship), transferred to another Fund within the Scheme or a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the year end date if Members exercise their right to redeem units back to the Funds.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund nor other Funds within the Scheme. The Trust Deed also stipulates that assets held for a Fund of the Scheme shall not be made available to meet the liabilities incurred in relation to any other Fund of the Scheme. The Funds' net asset value is calculated by dividing the net assets attributable to all holders of units in the Fund by the total number of units on issue of each Fund.

2.12 Related parties

A party is related to the Scheme if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme; or
- (b) it is a parent, subsidiary or fellow subsidiary of a party; or
- (c) it has an interest in or relationship with the Scheme that gives it significant influence over the Scheme; or
- (d) the Scheme has an interest in or relationship with the party that gives it significant influence over the party; or
- (e) they are a member of the Manager's key management personnel.

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 Scheme's accounting policies. The Manager has applied its judgement in selecting the accounting policy to designate financial assets at fair value through profit or loss at initial recognition. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the fair value of all financial assets as quoted market prices are readily available and in the case of derivatives observable market inputs are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at balance date. However as with all investments, their value is subject to variation due to market fluctuations.

The Manager has 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 input that is significant to the fair value in its entirety. The significance of an impact 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. 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 4.3 for further details).

Notes to the Financial Statements

4. Financial Risk Management

4.1 Financial risk factors

The Governing Document for the Scheme requires the Manager to invest the assets of the Scheme in accordance with the Statement of Investment Policy and Objectives. The Scheme is subject to a number of financial risks which arise as a result of its activities, including: market risk, liquidity risk and credit risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

4.1.1 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. Non-monetary financial instruments which potentially subject the Scheme to price risk are investments in listed equities and funds and unlisted unit trusts. All investments in unit trusts 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 of the underlying unit trusts advised that this risk is moderated through stock selection and diversification of unit trust investments, daily monitoring of the unit trusts' market position and adherence to the unit trusts' investment policy. The unlisted investments have underlying securities comprising domestic, international equity instruments and fixed interest securities that are subject to price risk.

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

Where non-monetary financial instruments are denominated in currencies other than NZD, the price initially expressed in foreign currency and then converted into NZD will also fluctuate because of changes in foreign exchange rates. In addition, where the Scheme holds unit trusts which in turn invest in securities denominated in foreign currencies, the value of the unit trust will be affected by fluctuations in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

Sensitivity Analysis

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in unit prices. If investments in financial instruments subject to price risk at that date increased or decreased by 10% with all other variables held constant, this would have had the following impact on the Statements of Changes in Net Assets:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Equities, unit trusts and unlisted securities								
Carrying amount	21,308,889	11,186,077	64,917,200	45,824,435	497,591,293	315,573,088	519,418,900	316,033,138
Impact of a -10% change in prices	(2,130,889)	(1,118,608)	(6,491,720)	(4,582,444)	(49,759,129)	(31,557,309)	(51,941,890)	(31,603,314)
Impact of a +10% change in prices	2,130,889	1,118,608	6,491,720	4,582,444	49,759,129	31,557,309	51,941,890	31,603,314

Members' Funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to members.

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme is exposed to currency risk primarily through holding foreign currency denominated cash and cash equivalents, trade and other receivables, trade and other payables and forward foreign exchange contracts. The Manager may hedge the exposure to currency fluctuations.

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

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)								
Australian Dollar (AUD)	8,447	96	-	-	(24,229,989)	(29,076,114)	(24,221,542)	(29,076,018)
Norway Krone(NOK)	-	-	-	-	55	(2,008,608)	55	(2,008,608)
Euro (EUR)	901	1,268,276	-	-	(34,816,518)	(44,827,363)	(34,815,617)	(43,559,087)
United States Dollar (USD)	64	(1,927,480)	-	-	(230,074,500)	(128,573,512)	(230,074,436)	(130,500,992)
Japanese Yen (JPY)	-	-	-	-	(5,864,362)	(4,495,384)	(5,864,362)	(4,495,384)
Great British Pound (GBP)	-	-	-	-	227	(6,170,677)	227	(6,170,677)
South Korean Won (KRW)	-	-	-	-	8,693	5,817	8,693	5,817
Mexican Peso (MXN)	-	-	-	-	(5,212,393)	(2,920,269)	(5,212,393)	(2,920,269)
Sweden (SEK)	-	-	-	-	2,298,907	(3,161,063)	2,298,907	(3,161,063)
New Taiwan Dollar (TWD)	-	-	-	-	32,908	(2,155,170)	32,908	(2,155,170)
Swiss Franc (CHF)	-	-	-	-	(7,972,204)	-	(7,972,204)	-
Danish Krone (DKK)	-	-	-	-	(5,176,381)	28,768	(5,176,381)	28,768

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

The table below summarises the impact on the Statements of Changes in Net Assets on monetary assets and liabilities at balance 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.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
Australian Dollar (AUD)	(768)	(9)	-	-	2,202,726	2,643,283	2,201,958	2,643,274
Norway Krona (NOK)	-	-	-	-	(5)	182,601	(5)	182,601
Euro (EUR)	(82)	(115,298)	-	-	3,165,138	4,075,215	3,165,056	3,959,917
United States Dollar (USD)	(6)	175,225	-	-	20,915,864	11,688,501	20,915,858	11,863,726
Japanese Yen (JPY)	-	-	-	-	533,124	408,671	533,124	408,671
Great British Pound (GBP)	-	-	-	-	(21)	560,971	(21)	560,971
South Korean Won (KRW)	-	-	-	-	(790)	(529)	(790)	(529)
Mexican Peso (MXN)	-	-	-	-	473,854	265,479	473,854	265,479
Sweden (SEK)	-	-	-	-	(208,992)	287,369	(208,992)	287,369
New Taiwan Dollar (TWD)	-	-	-	-	(2,992)	195,925	(2,992)	195,925
Swiss Franc (CHF)	-	-	-	-	724,746	-	724,746	-
Danish Krone (DKK)	-	-	-	-	470,580	(2,615)	470,580	(2,615)
<i>Exchange rates decreased by 10%</i>								
Australian Dollar (AUD)	939	11	-	-	(2,692,221)	(3,230,679)	(2,691,282)	(3,230,668)
Norway Krona (NOK)	-	-	-	-	6	(223,179)	6	(223,179)
Euro (EUR)	100	140,920	-	-	(3,868,502)	(4,980,818)	(3,868,402)	(4,839,898)
United States Dollar (USD)	7	(214,164)	-	-	(25,563,833)	(14,285,946)	(25,563,826)	(14,500,110)
Japanese Yen (JPY)	-	-	-	-	(651,596)	(499,487)	(651,596)	(499,487)
Great British Pound (GBP)	-	-	-	-	25	(685,631)	25	(685,631)
South Korean Won (KRW)	-	-	-	-	966	646	966	646
Mexican Peso (MXN)	-	-	-	-	(579,155)	(324,474)	(579,155)	(324,474)
Sweden (SEK)	-	-	-	-	255,434	(351,229)	255,434	(351,229)
New Taiwan Dollar (TWD)	-	-	-	-	3,656	(239,463)	3,656	(239,463)
Swiss Franc (CHF)	-	-	-	-	(885,800)	-	(885,800)	-
Danish Krone (DKK)	-	-	-	-	(575,153)	3,196	(575,153)	3,196

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

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Non-monetary assets/(liabilities)								
Australian Dollar (AUD)	-	2,175,161	-	-	37,396,292	49,784,689	37,396,292	51,959,850
Philippine Peso (PHP)	-	-	-	-	-	4,674,621	-	4,674,621
Euro (EUR)	-	173,691	-	-	41,129,430	75,113,303	41,129,430	75,286,994
Japanese Yen (JPY)	-	-	-	-	11,461,714	9,300,631	11,461,714	9,300,631
United States Dollar (USD)	-	2,285,704	-	-	230,260,208	154,955,484	230,260,208	157,241,188
Mexican Peso (MXN)	-	-	-	-	5,391,106	5,738,561	5,391,106	5,738,561
New Taiwan Dollar (TWD)	-	-	-	-	7,324,909	9,177,366	7,324,909	9,177,366
Norwegian Krone (NOK)	-	-	-	-	-	5,177,418	-	5,177,418
British Pound (GBP)	-	-	-	-	-	10,111,758	-	10,111,758
Sweden Krona (SEK)	-	-	-	-	-	3,220,783	-	3,220,783
South Korean Won (KRW)	-	-	-	-	2,924,523	4,151,001	2,924,523	4,151,001
Danish Krone (DKK)	-	-	-	-	5,973,290	5,062,241	5,973,290	5,062,241

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

The table below summarises the impact on the Statements of Changes in Net Assets on non-monetary assets and liabilities at balance 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.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Non-monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
Australian Dollar (AUD)	-	(197,742)	-	-	(3,399,663)	(4,525,881)	(3,399,663)	(4,723,623)
Philippine Peso (PHP)	-	-	-	-	-	(424,966)	-	(424,966)
Euro (EUR)	-	(15,790)	-	-	(3,739,039)	(6,828,482)	(3,739,039)	(6,844,272)
Japanese Yen (JPY)	-	-	-	-	(1,041,974)	(845,512)	(1,041,974)	(845,512)
United States Dollar (USD)	-	(207,791)	-	-	(20,932,746)	(14,086,862)	(20,932,746)	(14,294,653)
Mexican Peso (MXN)	-	-	-	-	(490,101)	(521,687)	(490,101)	(521,687)
New Taiwan Dollar (TWD)	-	-	-	-	(665,901)	(834,306)	(665,901)	(834,306)
Norwegian Krone (NOK)	-	-	-	-	-	(470,674)	-	(470,674)
British Pound (GBP)	-	-	-	-	-	(919,251)	-	(919,251)
Sweden Krona (SEK)	-	-	-	-	-	(292,798)	-	(292,798)
South Korean Won (KRW)	-	-	-	-	(265,866)	(377,364)	(265,866)	(377,364)
Danish Krone (DKK)	-	-	-	-	(543,026)	(460,204)	(543,026)	(460,204)
<i>Exchange rates decreased by 10%</i>								
Australian Dollar (AUD)	-	241,685	-	-	4,155,144	5,531,632	4,155,144	5,773,317
Philippine Peso (PHP)	-	-	-	-	-	519,402	-	519,402
Euro (EUR)	-	19,299	-	-	4,569,937	8,345,923	4,569,937	8,365,222
Japanese Yen (JPY)	-	-	-	-	1,273,524	1,033,403	1,273,524	1,033,403
United States Dollar (USD)	-	253,967	-	-	25,584,468	17,217,276	25,584,468	17,471,243
Mexican Peso (MXN)	-	-	-	-	599,012	637,618	599,012	637,618
New Taiwan Dollar (TWD)	-	-	-	-	813,879	1,019,707	813,879	1,019,707
Norwegian Krone (NOK)	-	-	-	-	-	575,269	-	575,269
British Pound (GBP)	-	-	-	-	-	1,123,529	-	1,123,529
Sweden Krona (SEK)	-	-	-	-	-	357,865	-	357,865
South Korean Won (KRW)	-	-	-	-	324,947	461,222	324,947	461,222
Danish Krone (DKK)	-	-	-	-	663,699	562,471	663,699	562,471

(c) 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 potentially subject the Scheme to interest rate risk are short term cash deposits, fixed interest securities and term deposits. The Funds can invest in cash in New Zealand and internationally (short term investments only) and interest income and investment valuations are therefore subject to changes in New Zealand and international interest rates. The Manager may hedge the exposure to interest fluctuations.

a) Cash flow sensitivity analysis

A change in interest rates impacts the cash flow of the Scheme's cash and cash equivalents by increasing or decreasing the amount of interest received. A variable of 100 basis points (1%) (2023: 100 basis points (1%)) was selected as this is reasonably expected movement based on past overnight cash rate movements. The table below shows the impact on the Statements of Changes in Net Assets and the Net membership activities to a 100 basis points (1%) (2023: 100 basis points (1%)) movement in interest rates (based on assets held at reporting date), with all other variables held constant.

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents								
Increase of 1% (2023: 1%)	36,462	45,489	18,415	19,278	208,793	439,877	263,670	504,644
Decrease of 1% (2023: 1%)	(36,462)	(45,489)	(18,415)	(19,278)	(208,793)	(439,877)	(263,670)	(504,644)
Term deposits								
Increase of 1% (2023: 1%)	2,205	10,862	-	4,608	-	10,740	2,205	26,210
Decrease of 1% (2023: 1%)	(2,205)	(10,862)	-	(4,608)	-	(10,740)	(2,205)	(26,210)

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.1.1 Market risk (continued)

b) Fair value interest rate risk

A change in interest rates impacts the fair value of the Funds' corporate bonds. Fair value changes impact on net profit, or unit holders' funds, only where the instruments are carried at fair value. A variable of 100 basis points (1%) (2023: 100 basis points (1%)) was selected as this is a reasonably expected movement based on recent rate trends. The following table shows the impact on the Statements of Changes in Net Assets and the Net membership activities to reasonably possible changes in yields on corporate bonds at 31 March with all other variables held constant:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial instruments at fair value through profit or loss								
Increase of 1% (2023: 1%)	-	(487,808)	-	(520,535)	-	(3,810,540)	-	(4,818,883)
Decrease of 1% (2023: 1%)	-	521,911	-	555,843	-	4,088,371	-	5,166,125

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.

4.1.2 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 of the Scheme. 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 Scheme's 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	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total		
	2024	2023	2024	2023	2024	2023	2024	2023	
Credit rating									
Cash and cash equivalents									
Rating Category	AA-	3,646,161	4,548,880	1,841,519	1,927,799	20,883,283	45,795,440	26,370,963	52,272,119
Rating Category	BBB- BBB BBB+	-	-	-	-	-	3,959	-	3,959
Fixed interest securities									
Rating Category	AA- AA AA+ AAA	-	2,952,938	-	4,838,764	-	28,735,059	-	36,526,761
Rating Category	A- A A+	-	1,507,631	-	-	-	15,961,352	-	17,468,983
Rating Category	BBB- BBB BBB+ BB+	-	2,167,487	-	4,527,637	-	24,264,856	-	30,959,980
Rating Category	NR	-	4,428,973	-	2,751,536	-	20,660,605	-	27,841,114
Term Deposits									
Rating Category	A- A A+	-	650,000	-	1,400,000	-	-	-	2,050,000
Rating Category	AA- AA AA+	250,000	2,500,000	-	1,000,000	-	4,000,000	250,000	7,500,000

As at 31 March 2024 there were no financial assets past due or impaired.

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 Scheme also restricts its exposure to credit losses on the trading derivatives it holds by entering into International Swap and Derivatives Association (ISDA) arrangements with their counterparties (Refer to Note 4.1.4 for further details) 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 Scheme's policy, the investment manager monitors the Funds of the Scheme's credit positions on a daily basis. The Risk & Compliance Committee reviews on a quarterly basis.

The Scheme's 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 Scheme 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 of the Scheme.

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.1.3 Liquidity risk

Liquidity risk is the risk that the Scheme 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 enable the Scheme to meet liabilities as they fall due and withdrawals when requested. Where the Funds of the Scheme invests in funds represented by the Manager, they in turn, maintain sufficient liquidity in their portfolios to cover reasonably foreseeable redemptions under normal market conditions. The Scheme also holds securities that are listed on the NZX, ASX or other internationally recognised exchanges and are saleable. Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals from the Scheme and or various funds represented by the Manager in which the Scheme invests.

The Scheme's investment policies do not state a minimum required level of investment in liquid investments however do state minimum level of income assets required per the strategic target asset allocations. The Scheme's financial liabilities consist of trade and other payables and derivatives (forward foreign exchange contracts) 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 foreign exchange contracts at balance date. The current fair value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Scheme and realised liabilities may differ from current liabilities based on future changes in market conditions.

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

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023		
Financial liabilities at fair value through profit or loss								
7 days to 1 month	-	-	-	-	(6,787,670)	(504,712)	(6,787,670)	(504,712)
Financial liabilities at amortised cost								
<i>Trade and other payables</i>								
Less than 7 days	(64,828)	(511,171)	(258,411)	(97,045)	(753,637)	(31,319,326)	(1,076,876)	(31,927,542)
Net assets available for benefits								
Unknown	(24,999,920)	(29,658,361)	(66,352,550)	(62,283,322)	(510,329,164)	(442,860,333)	(537,283,152)	(478,251,554)

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

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

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023		
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:								
Gross amounts of recognised financial assets	-	12,505	-	-	29,510	778,083	29,510	790,588
Net amounts of financial assets presented in the Statement of Net Assets								
<i>Related amounts not set-off in the Statements of Net Assets</i>								
Financial instruments	-	(12,505)	-	-	(29,510)	(778,083)	(29,510)	(790,588)
Net amount								
	-	-	-	-	-	-	-	-

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023		
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:								
Gross amounts of recognised financial liabilities	-	-	-	-	(6,787,669)	(504,714)	(6,787,669)	(504,714)
Net amounts of financial liabilities presented in the Statement of Net Assets								
<i>Related amounts not set-off in the Statement of Net Assets</i>								
Financial instruments	-	12,505	-	-	29,510	778,083	29,510	790,588
Cash collateral	-	-	-	-	483,851	-	483,851	-
Net amount								
	-	12,505	-	-	(6,274,308)	273,369	(6,274,308)	285,874

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.1.4 Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

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 Net Assets represent amounts that have not been offset in the Statements of Net Assets 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.

4.2 Capital risk management

Net assets available to pay benefits are considered to be the Scheme's capital for the purposes of capital management not withstanding net assets available to pay benefits is classified as a liability for accounting. The Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Scheme's members' values as well as ensuring its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Scheme's management monitors the Scheme's performance on a regular basis.

4.2.1 Units on Issue

Units For the year ended	Conservative Fund		Balanced Fund		Growth Fund	
	2024	2023	2024	2023	2024	2023
Units on issue at the start of the year	26,953,861	23,308,300	51,909,731	49,083,895	325,277,233	295,096,136
Units issued	8,327,947	18,923,442	11,115,607	16,525,689	53,470,721	66,120,359
Units redeemed*	(14,430,771)	(15,277,881)	(14,662,938)	(13,699,853)	(57,431,033)	(35,939,262)
Units on issue at the end of the year	20,851,037	26,953,861	48,362,400	51,909,731	321,316,921	325,277,233

* Units redeemed during the year includes the number of units redeemed to pay the management and administration fees to the Manager, 158,801 units for Conservative Fund, 265,298 units for Balanced Fund and 1,790,556 units for Growth Fund (2023: 178,837 units for Conservative Fund, 291,168 units for Balanced Fund and 1,911,466 units for Growth Fund).

4.3 Fair value estimation

All financial assets and financial liabilities included in the statements of net assets, are carried at amounts that represent or approximate fair value. The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Funds is the last traded price. The price used for unlisted unit trusts is the published withdrawal price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

NZ IFRS 13 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.

Notes to the Financial Statements

4. Financial Risk Management (continued)

4.3 Fair value estimation (continue)

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

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Level 1 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Listed equities	-	-	-	-	344,742,644	308,107,588	344,742,644	308,107,588
Listed funds/trusts	-	-	-	-	5,345,031	4,465,500	5,345,031	4,465,500
Total Level 1 Assets	-	-	-	-	350,087,675	312,573,088	350,087,675	312,573,088
Level 2 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	12,505	-	-	29,510	778,083	29,510	790,588
Fixed interest securities	-	11,057,029	-	12,117,937	-	89,621,872	-	112,796,838
Preference shares	-	460,050	-	-	389,452	3,000,000	389,452	3,460,050
Unlisted funds/trusts	21,308,889	10,726,027	64,917,200	45,824,435	147,114,166	-	168,941,773	-
Total Level 2 Assets	21,308,889	22,255,611	64,917,200	57,942,372	147,533,128	93,399,955	169,360,735	117,047,476
Level 2 Liabilities								
<i>Financial liabilities at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	-	-	-	(6,787,670)	(504,712)	(6,787,670)	(504,712)
Total Level 2 Liabilities	-	-	-	-	(6,787,670)	(504,712)	(6,787,670)	(504,712)

The fair value of listed equities and listed funds are determined using quoted market prices in an active market. This measurement basis falls within Level 1 of the fair value hierarchy.

The fair value of forward foreign exchange contracts is calculated from spot exchange rates and forward points supplied by WM/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 Funds' investments in each of the Pie KiwiSaver Balanced Fund and the Pie KiwiSaver Growth Fund are valued at fair value which are based on the latest available redemption prices of the units in the respective Funds. The Manager reviews the details of the reported information obtained from the Pie KiwiSaver Funds and considers:

- (a) the value date of the Net Asset Values ("NAVs") provided; and
- (b) any restrictions on redemptions

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

There were no transfers between levels during the year.

Refer to note 2.3(c) of the accounting policies for further details on the fair value hierarchy.

Impairment in investment value

As at 31 March 2023, the Pie KiwiSaver Growth Fund held shares in SES-imagotag. SES-imagotag entered into a voluntary trading halt on 22 June 2023 and in line with the Manager's Unit Pricing and Valuation Policy, a fair value loss on this investment was recognised and the value of this investment was reduced from \$4,429,448 to \$2,657,669. The position was exited on 23 June 2023.

Notes to the Financial Statements

5. Financial instruments at fair value through profit or loss

5.1. Financial assets at fair value through profit or loss

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets at fair value through profit or loss								
Forward foreign exchange contracts	-	12,505	-	-	29,510	778,083	29,510	790,588
Fixed interest securities	-	11,057,029	-	12,117,937	-	89,621,872	-	112,796,838
Listed equities	-	-	-	-	344,742,644	308,107,588	344,742,644	308,107,588
Listed funds/trusts	-	-	-	-	5,345,031	4,465,500	5,345,031	4,465,500
Preference shares	-	460,050	-	-	389,452	3,000,000	389,452	3,460,050
Unlisted funds/trusts	21,308,889	10,726,027	64,917,200	45,824,435	147,114,166	-	168,941,773	-
Total financial assets at fair value through profit or loss	21,308,889	22,255,611	64,917,200	57,942,372	497,620,803	405,973,043	519,448,410	429,620,564

5.2. Financial liabilities at fair value through profit or loss

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial liabilities at fair value through profit or loss								
Forward foreign exchange contracts	-	-	-	-	(6,787,670)	(504,712)	(6,787,670)	(504,712)
Total financial liabilities at fair value through profit or loss	-	-	-	-	(6,787,670)	(504,712)	(6,787,670)	(504,712)

Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward foreign exchange contracts are agreed between the parties to the contract and are not traded on an exchange.

6. Concentration of investments

The following table presents the securities, excluding derivatives, exceeding 5% of net assets available for benefits at balance date:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	% of NAV	2024	% of NAV	2024	% of NAV	2024	% of NAV
Investments exceeding 5% of net assets available for benefits								
Pie Fixed Income Fund	11,337,209	45.35%	10,490,398	15.81%	88,352,248	17.31%	110,179,855	20.51%
Pie KiwiSaver Balanced Fund	9,971,680	39.89%	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	54,426,802	82.03%	-	-	-	-
Pie Property & Infrastructure Fund	-	-	-	-	58,491,350	11.46%	58,491,350	10.89%

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2023	% of NAV	2023	% of NAV	2023	% of NAV	2023	% of NAV
Investments exceeding 5% of net assets available for benefits								
Pie KiwiSaver Balanced Fund	10,726,027	36.17%	-	-	-	-	-	-
ANZ NZ Term Deposit 4.1% 01/07/2022 03/07/2023	2,000,000	6.74%	-	-	-	-	-	-
US Treasury Notes 4.125% 15/11/2032	2,285,704	7.71%	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	45,824,435	73.57%	-	-	-	-

Notes to the Financial Statements

6. Concentration of investments (continued)

The following table presents the securities, excluding derivatives, exceeding 5% of security class:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	% of Security type		% of Security type		% of Security type		% of Security type	
As at 31 March	2024		2024		2024		2024	
Trading securities exceeding 5% of security class								
Listed equities								
Amazon.Com Inc	-	-	-	-	21,109,421	6.12%	21,109,421	6.12%
Microsoft Corporation	-	-	-	-	17,584,218	5.10%	17,584,218	5.10%
Listed funds/trusts								
iShares Bitcoin Trust	-	-	-	-	5,345,031	100.00%	5,345,031	100.00%
Preference shares								
ANZNZ 6.95% 18/07/2028	-	-	-	-	389,452	100.00%	389,452	100.00%
Unlisted funds								
Pie KiwiSaver Balanced Fund	9,971,680	46.80%	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	54,426,802	83.84%	-	-	-	-
Pie Fixed Income Fund	11,337,209	53.20%	10,490,398	16.16%	88,352,248	60.06%	110,179,855	65.22%
Pie Property & Infrastructure Fund	-	-	-	-	58,491,350	39.76%	58,491,350	34.62%
Term deposits								
WSTP Term Deposit 6.2467% 12/05/2023 13/05/2024	250,000	100.00%	-	-	-	-	250,000	100.00%

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	% of Security type		% of Security type		% of Security type		% of Security type	
As at 31 March	2023		2023		2023		2023	
Trading securities exceeding 5% of security class								
Listed funds/trusts								
iShares MSCI China ETF	-	-	-	-	4,465,500	100%	4,465,500	100%
Preference shares								
Kiwibank Limited-Preference	460,050	100.00%	-	-	-	-	460,050	13.30%
ANZNZ 6.95% 18/07/2028	-	-	-	-	3,000,000	100%	3,000,000	86.70%
Unlisted funds								
Pie KiwiSaver Balanced Fund	10,726,027	100.00%	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	45,824,435	100%	-	-	-	-
Fixed Interest Securities								
US Treasury Notes 4.125% 15/11/2032	2,285,704	20.67%	-	-	14,693,812	16.40%	16,979,516	15.05%
KIWI 2.36% 11/12/2030	628,500	5.68%	-	-	-	-	-	-
HOUSNZ 4.422% 15/10/2027	-	-	936,244	7.73%	-	-	-	-
VCTNZ 1.575% 06/10/2026	-	-	1,302,610	10.75%	-	-	-	-
CNU 2.51% 02/12/2030	-	-	1,204,530	9.94%	-	-	-	-
WIANZ 2.50% 14/08/2026	718,432	6.50%	-	-	-	-	-	-
HOUSNZ 2.183% 24/04/2030	840,424	7.60%	-	-	-	-	-	-
WBC % 16/02/2028	-	-	-	-	4,925,079	5.50%	-	-
ANZNZ 5.22% 16/02/2028	-	-	-	-	4,728,513	5.28%	-	-
BZLNZ 4.985% 07/06/2027	-	-	987,773	8.15%	-	-	-	-
CENNZ 4.33% 19/11/2051	-	-	744,888	6.15%	-	-	-	-
CENNZ 5.62% 06/04/2029	-	-	-	-	7,134,252	7.96%	7,134,252	6.32%
IFT 3.35% 15/03/2026	-	-	919,710	7.59%	-	-	-	-
WSTP 1.439% 02/24/26	-	-	896,030	7.39%	-	-	-	-
KFW 1.75% 19/05/2028	-	-	1,724,806	14.23%	-	-	-	-
Term deposits								
ANZNZ Term Deposit 4.1% 01/07/2022 03/07/2023	2,000,000	63.49%	1,000,000	41.67%	-	-	3,000,000	31.41%
BCHINA Term Deposit 3.45% 23/05/2022 23/05/2023	650,000	20.63%	1,400,000	58.33%	-	-	2,050,000	21.47%
Westpac Term Deposit 6.4% 13/03/2023 13/03/2024	500,000	15.87%	-	-	-	-	500,000	5.24%
ANZNZ Term Deposit 4% 07/07/2022 07/07/2023	-	-	-	-	4,000,000	100%	4,000,000	41.88%

Notes to the Financial Statements

7. Financial instruments by category

Financial instruments currently recognised in the financial statements comprise cash and cash equivalents, term deposits, trade and other receivables, financial assets and liabilities at fair value through profit or loss and trade and other payables. The following table details the Scheme's financial assets and liabilities by category:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets at fair value through profit and loss								
Financial assets at fair value through profit or loss	21,308,889	22,255,611	64,917,200	57,942,372	497,620,803	405,973,043	519,448,410	429,620,564
Financial assets at amortised cost								
Cash and cash equivalents	3,646,161	4,548,880	1,841,519	1,927,799	20,879,265	43,987,673	26,366,945	50,464,352
Term deposits	250,000	3,150,000	-	2,400,000	-	4,000,000	250,000	9,550,000
Trade and other receivables	57,055	264,764	132,042	193,319	1,206,267	21,969,638	1,395,364	22,427,721
Total financial assets at amortised cost	3,953,216	7,963,644	1,973,561	4,521,118	22,085,532	69,957,311	28,012,309	82,442,073
Total financial assets	25,262,105	30,219,255	66,890,761	62,463,490	519,706,335	475,930,354	547,460,719	512,062,637
Financial liabilities at fair value through profit and loss								
Financial liabilities at fair value through profit or loss	-	-	-	-	6,787,670	504,712	6,787,670	504,712
Financial liabilities at amortised cost								
Trade and other payables	64,828	511,171	258,411	97,045	753,637	31,319,326	1,076,876	31,927,542
Net assets available for benefits	24,999,920	29,658,361	66,352,550	62,283,322	510,329,164	442,860,333	537,283,152	478,251,554
Total financial liabilities at amortised cost	25,064,748	30,169,532	66,610,961	62,380,367	511,082,801	474,179,659	538,360,028	510,179,096
Total financial liabilities	25,064,748	30,169,532	66,610,961	62,380,367	517,870,471	474,684,371	545,147,698	510,683,808

8. Related parties

8.1 Manager and Supervisor

The Manager of the Scheme is Pie Funds Management Limited. Management and administration fees are deducted from each member by way of unit redemption and are payable to the Manager in amounts as outlined below:

- For members under age of 13 years	- Free
- For members between ages of 13 and 18 years or balances and less than \$5,000	- \$2.50 per month
- For member balances in the Scheme from \$5,000 to \$14,999	- \$5 per month
- For member balances in the Scheme from \$15,000 to \$24,999	- \$8 per month
- For member balances in the Scheme from \$25,000 to \$49,999	- \$20 per month
- For member balances in the Scheme from \$50,000 to \$74,999	- \$40 per month
- For member balances in the Scheme from \$75,000 to \$99,999	- \$60 per month
- For member balances in the Scheme from \$100,000 to \$200,000	- \$90 per month

* After which the member will be charged an extra \$30 per month for every additional \$100,000 invested.

During the year, management and administration fees paid to the Manager totalled \$3,349,806 (31 March 2023: \$3,018,955).

The Supervisor of the Scheme is Trustees Executors Limited. The Supervisor is entitled to receive a fee from the Manager for supervisory services.

Audit fees and supervisor fees of the Funds are paid for by the Manager on behalf of the Scheme. The Manager paid and or accrued for the following amounts on behalf of the Scheme for the year ended 31 March 2024:

Audit fees:	\$44,658 (31 March 2023: \$41,151)
Supervisory fees:	\$96,517 (31 March 2023: \$87,936)

In addition to the above, the Manager paid the auditor tax agent fees of \$6,344 (2023:\$7,918) during the year on behalf of the Scheme.

Management fee rebates paid by the Manager to the Scheme are disclosed in the Statement of Changes in Net Assets.

Included within other income and trade receivables at 31 March 2023 is a related party receivable of \$64,670. This represents a receivable from the Manager to the Pie KiwiSaver Growth Fund to compensate this Fund for a loss associated with a trading error. Included within trade and other payables at 31 March 2023 is a related party payable of \$47,157. This payable represents transaction costs incurred by the Manager on behalf of the Pie KiwiSaver Growth Fund for external trading costs incurred for the March 2023 financial year.

Holdings in the Funds by Directors and key management personnel of the Manager that are directly held:

\$ As at 31 March	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Holdings	-	-	14,804	7,411	1,972,060	1,206,809	1,986,864	1,214,221

Notes to the Financial Statements

8. Related parties (continued)

On 6 December 2023, the Pie KiwiSaver Conservative Fund sold fixed interest securities of \$11,066,090 to Pie Fixed Income Fund via in species 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 KiwiSaver Conservative Fund to Pie Fixed Income Fund.

On 6 December 2023, the Pie KiwiSaver Balanced Fund sold fixed interest securities of \$7,041,970 to Pie Fixed Income Fund via in species 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 KiwiSaver Balanced Fund to Pie Fixed Income Fund.

On 6 December 2023, the Pie KiwiSaver Growth Fund sold fixed interest securities of \$86,239,383 to Pie Fixed Income Fund via in species 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 KiwiSaver Growth Fund to Pie Fixed Income Fund.

On 6 December 2023, the Pie KiwiSaver Growth Fund sold property & infrastructure investments of \$34,980,572 to Pie Property & Infrastructure Fund via in species 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 KiwiSaver Growth Fund to Pie Property & Infrastructure Fund.

8.2 Investments in the Scheme by related parties

The following table shows the value of investments by related parties in the Scheme at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March								
Pie KiwiSaver Funds								
Pie KiwiSaver Balanced Fund	-	-	-	-	54,426,802	45,824,435	-	-
Pie KiwiSaver Conservative Fund	-	-	9,971,680	10,726,027	-	-	-	-
Total	-	-	9,971,680	10,726,027	54,426,802	45,824,435	-	-

The following table shows the income earned/(loss) incurred by related parties from their investments in the Funds in the year ended:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March								
Pie KiwiSaver Funds								
Pie KiwiSaver Balanced Fund	-	-	-	-	7,848,231	(899,354)	-	-
Pie KiwiSaver Conservative Fund	-	-	1,389,574	(136,226)	-	-	-	-
Total income earned/(loss) incurred by related parties from investments in the Funds	-	-	1,389,574	(136,226)	7,848,231	(899,354)	-	-

8.3 Investments by the Scheme in related parties

The following table shows the value of investments by the Scheme in related parties at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March								
Pie KiwiSaver Funds								
Pie KiwiSaver Balanced Fund	9,971,680	10,726,027	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	54,426,802	45,824,435	-	-	-	-
Pie Unit Trust Funds								
Pie Fixed Income Fund	11,337,209	-	10,490,398	-	88,352,248	-	110,179,855	-
Pie Property & Infrastructure Fund	-	-	-	-	58,761,918	-	58,761,918	-
Total	21,308,889	10,726,027	64,917,200	45,824,435	147,114,166	-	168,941,773	-

The following table shows the income earned/(loss) incurred by the Funds from their investments in related parties in the year ended:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March								
Pie KiwiSaver Funds								
Pie KiwiSaver Balanced Fund	1,389,574	(136,226)	-	-	-	-	-	-
Pie KiwiSaver Growth Fund	-	-	7,848,231	(899,354)	-	-	-	-
Pie Unit Trust Funds								
Pie Fixed Income Fund	271,119	-	198,428	-	2,112,865	-	2,582,412	-
Pie Property & Infrastructure Fund	-	-	-	-	3,010,778	-	3,010,778	-
Total income earned/(loss) incurred by the Funds from investments in related parties	1,660,693	(136,226)	8,046,659	(899,354)	5,123,643	-	5,593,190	-

Notes to the Financial Statements

9. Trade and other receivables

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March								
Accrued interest	15,642	177,313	848	158,412	9,232	956,820	25,722	1,292,545
Dividends and distributions receivable	-	-	-	-	204,070	188,515	204,070	188,515
Return on capital receivable	-	-	-	-	50,533	-	50,533	-
Margin accounts	-	-	-	-	483,851	1,940,511	483,851	1,940,511
Unsettled investment trades	-	-	-	-	245,323	18,504,314	245,323	18,504,314
Contributions receivable	41,413	87,451	131,194	34,907	213,258	314,808	385,865	437,166
Related party receivables	-	-	-	-	-	64,670	-	64,670
Total trade and other receivables	57,055	264,764	132,042	193,319	1,206,267	21,969,638	1,395,364	22,427,721

All trade and other receivable balances are carried at amortised cost and their carrying values approximate fair value due to their short term nature.

10. Trade and other payables

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March								
Redemptions payable	71,903	30,660	265,663	97,038	868,643	179,299	1,206,209	306,997
Management fee rebates payable	(7,075)	511	(7,252)	7	(115,006)	939	(129,333)	1,457
Unsettled investment trades	-	480,000	-	-	-	31,091,931	-	31,571,931
Related party payables	-	-	-	-	-	47,157	-	47,157
Total trade and other payables	64,828	511,171	258,411	97,045	753,637	31,319,326	1,076,876	31,927,542

All trade payable and other payables balances are carried at amortised cost and their carrying values approximate fair value due to their short term nature.

11. Reconciliation of net (loss)/profit before membership activities to net cash flows from operating activities

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March								
Net profit/(loss) before membership activities	2,137,405	(164,459)	8,219,852	(1,350,001)	71,815,691	(15,649,028)	72,935,143	(16,127,908)
Adjustments for non cash items:								
Unrealised changes in the fair value of financial instruments*	(1,963,731)	(184,533)	(9,364,722)	875,706	(74,278,947)	(69,031,776)	(76,369,595)	(69,376,183)
Unrealised foreign exchange gains/(losses) on cash and cash equivalents	(30,206)	(68,460)	-	-	(765,283)	(5,266,815)	(795,489)	(5,335,275)
Dividends and distributions re-invested	-	-	-	-	(19,897)	(246,483)	(19,897)	(246,483)
Other non cash income and expenses	(80,615)	-	(24,131)	-	(848,914)	-	(953,660)	-
	(2,074,552)	(252,993)	(9,388,853)	875,706	(75,913,041)	20,535,419	(78,138,641)	(74,957,941)
Movements in working capital items:								
Decrease/(increase) in trade and other receivables	154,085	(119,441)	150,305	(88,582)	880,758	(795,348)	1,185,148	(1,003,371)
(Decrease)/increase in trade and other payables	-	-	-	-	(47,157)	47,157	(47,157)	47,157
Decrease/(increase) in net cost of investments*	2,511,068	(2,223,140)	2,414,025	(7,484,041)	(21,678,734)	(76,988,510)	(18,143,427)	21,054,882
Decrease/(increase) in term deposits	2,900,000	350,000	2,400,000	(400,000)	4,000,000	(1,500,000)	9,300,000	(1,550,000)
	5,565,153	(1,204,263)	4,964,330	(7,240,861)	(16,845,133)	15,843,792	(7,705,436)	18,548,668
Net cash inflow/(outflow) from operating activities	5,628,006	(1,621,715)	3,795,329	(7,715,156)	(20,942,483)	(74,350,310)	(12,908,934)	(72,537,181)

*For each of the Funds, prior year comparative figures for unrealised changes in the fair value of financial instruments and increase/(decrease) in the net cost of investments have been corrected as both realised and unrealised gains were included in the adjustments for non cash items. The Unrealised changes in the fair value of financial instruments were overstated as follows: (Pie KiwiSaver Conservative Fund: \$788,318; Pie KiwiSaver Balanced Fund: \$731,762; Pie KiwiSaver Growth Fund: \$95,080,493; and Scheme Total: \$96,600,573). Simultaneously, the increase/(decrease) in net cost of investments was understated as follows: (Pie KiwiSaver Conservative Fund: \$788,318; Pie KiwiSaver Balanced Fund: \$731,762; Pie KiwiSaver Growth Fund: \$95,080,493; and Scheme Total: \$96,600,573). There is no impact to the net cash inflows from operating activities.

Notes to the Financial Statements

12. Contingent liabilities

There were no contingent liabilities as at 31 March 2024 (31 March 2023: nil).

13. Capital commitments

There were no material capital commitments as at 31 March 2024 (31 March 2023: nil).

14. Events after balance date

Changes in unit prices

Unit prices are based on the underlying prices of the financial assets and financial liabilities held by the Scheme and 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. Performance updates are available at <https://www.piefunds.co.nz/Performance>.

On 23 April 2024 the Pie KiwiSaver Growth Fund completed an in specie transfer of stock for units in the Pie Australasian Growth 2 Fund and Pie Global Growth 2 Fund. The in specie transfer values were \$28,274,000 and \$292,746,000 respectively.

Apart from above, there have been no significant events that have occurred since balance date which would impact on the financial position of the Scheme or Funds disclosed in the Statements of Financial Position as at 31 March 2024 or on the results and cash flows of the Scheme or Funds for the year ended on that date.



Independent auditor's report

To the members of Pie KiwiSaver Scheme which comprises:

- Pie KiwiSaver Conservative Fund
- Pie KiwiSaver Balanced Fund
- Pie KiwiSaver Growth Fund

(Collectively referred to as the Funds and the Scheme)

Our opinion

In our opinion, the accompanying financial statements of the Funds and the Scheme present fairly, in all material respects, the financial position of the Funds and the Scheme 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' and the Scheme's financial statements comprise:

- the statements of net assets as at 31 March 2024;
- the statements of changes in net assets 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 and the Scheme 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 and the Scheme on normal terms within the ordinary course of trading activities of the Funds and the Scheme. These services and relationships have not impaired our independence as auditor of the Funds and the Scheme.

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 5 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 and the Scheme.</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>For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the exchange rates at the reporting date.</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 funds’ administrator. We evaluated 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 funds 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>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 and the Scheme. 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>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 and the Scheme as at the reporting date.</p>

Our audit approach

Overview

Materiality

We determined materiality for each Fund and the Scheme separately. Our materiality for each Fund and the Scheme is calculated based on approximately 1% of members' funds for each Fund and the Scheme.

We chose members' funds as the benchmark because, in our view, the objective of the Funds and the Scheme is to provide members with a total return on the Funds' and the Scheme's 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 and the Scheme 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 and the Scheme 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 and the Scheme as a whole, taking into account the structure of each Fund and the Scheme, the Funds' and the Scheme's investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds and the Scheme. The Funds' and the Scheme's 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 and the Scheme'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 the Scheme 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-1/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Scheme's members, 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 the Scheme's members, 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:

Chartered Accountants
26 July 2024

Auckland