

# Fund Update

## PIE FUNDS MANAGEMENT SCHEME: PIE CHAIRMAN'S FUND

### Fund update for the quarter ended: 28.06.19

This fund update was first made publicly available on  
26.07.19

### What is the purpose of this update?

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

### Description of this fund

The Pie Chairman's Fund will seek to provide investors with long term capital growth by investing predominantly in the other Pie Funds products. The other Pie Funds products focus on investment in Australian, New Zealand and Global listed equities of Smaller, Emerging and Medium Companies, where Pie Funds considers the value is greatest and the opportunity of earnings growth is high. Like the other Pie Funds products, direct investments may be made in hand-picked listed Australasian and New Zealand Smaller, Emerging and Medium Companies. In addition, the Pie Chairman's Fund may also invest in unlisted equities and other types of financial products such as cash at our discretion.

Total value of fund as at 28.06.19	\$101,492,303
Number of investors in the fund	90
Date the fund started	01.09.14

### How has the fund performed?

	Past Year
<b>Annual return</b> (after deductions for charges and tax)	4.40%
<b>Annual return</b> (after deductions for charges but before tax)	4.97%
Market Index annual return (reflects no deduction for charges and tax)	0.02%

The market index is a composite index (50% S&P/ ASX Small Ordinaries Accumulation Index (XSOAI) / 50% S&P Global SmallCap Gross Total Return Index). The S&P/ ASX Small Ordinaries Accumulation Index (XSOAI) represents the small cap-members of the S&P/ ASX 300 index, but excludes those in the S&P/ ASX 100 index. This index provides a benchmark for small to medium cap investments and incorporates dividends. The S&P Global SmallCap Gross Return Index represents the lowest 15% of float-adjusted market cap stocks in each developed and emerging country. This index provides a benchmark for global small cap investments and incorporates dividends. Additional information about the market index is available on the offer register.

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### What are the risks of investing?

Risk indicator for the Pie Chairman's Fund <sup>1</sup>

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

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

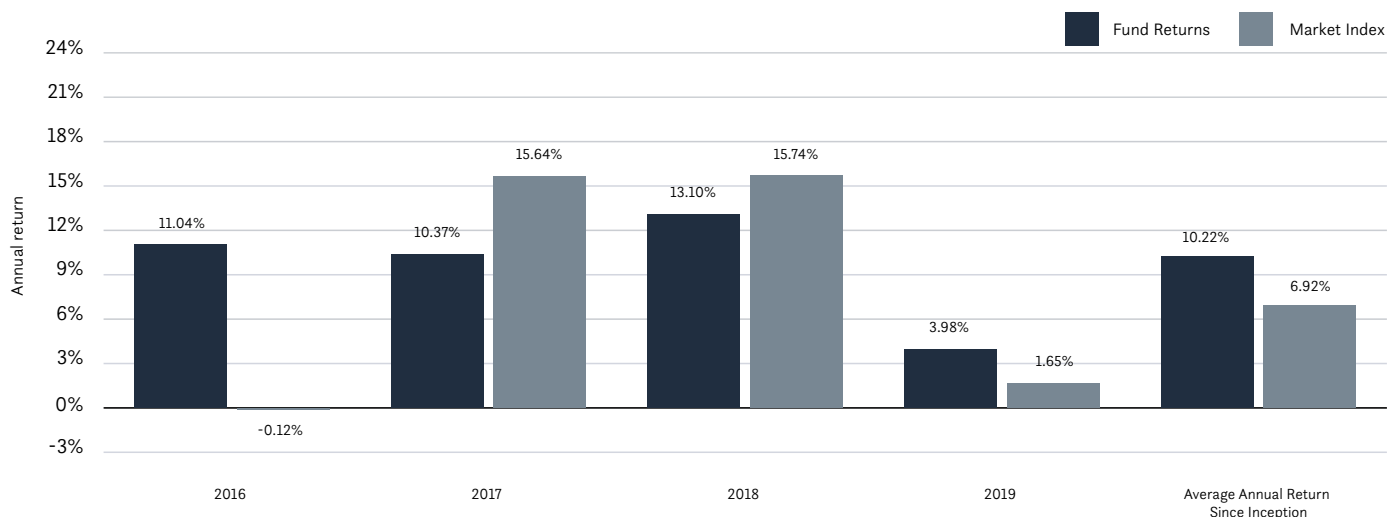
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

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

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the last 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

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

## Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 28 June 2019. Important: This does not tell you how the fund will perform in the future.

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

## What fees are investors charged?\*

Investors in the Pie Chairman's Fund are charged fund charges. In the year to 31 March 2019, these were:

	% of net asset value
<b>Total fund charges</b>	<b>2.45%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>1.58%</b>
Including	
Manager's basic fee	1.54%
Other management and administration charges	0.04%
<b>Total performance-based fees</b>	<b>0.87%**</b>
<b>Other charges</b>	\$ amount per investor
Other charges	\$0.00

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

See the Product Disclosure Statement for more information about the basis on which performance fees are charged. Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds, although these are not currently charged by Pie Funds).

\*The fees are represented as a percentage of net asset value (NAV). While Pie Funds charges fees as a percentage of gross asset value (GAV); the law insists the fees be disclosed as a percentage of NAV. As a result, there will be discrepancies between the fees set out in this document and the actual fees incurred.

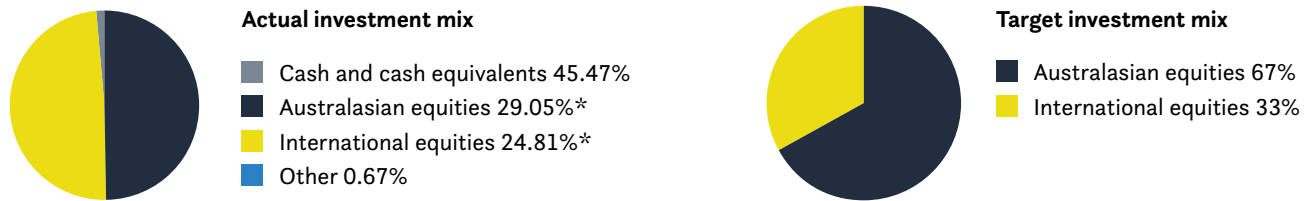
\*\*As from 1 April 2019, the performance-based fees have been discontinued. Going forward the fees are expected to be 1.69%. For more information on fees, refer to the PDS.

## Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term. Lucy had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Lucy received a return after fund charges were deducted of \$423 (that is 4.23% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total return after tax of \$398 for the year.

## What does the fund invest in?

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



\* Australasian equities and international equities arise from investments in Australasian and international managed funds. These funds are actively managed and hold varying levels of cash over time. This can be seen, on a look-through basis, in the Top 10 investments list below.

**Hedging:** We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged currency exposure is 0.0%.

## Top 10 investments

	Name	% of fund net assets	Type	Country
1	BNZ Call Account - NZD	6.86%	Cash and cash equivalents	NZ
2	Bank Of China Term Deposit	6.33%	Cash and cash equivalents	NZ
3	Westpac Compound Account - NZD	4.55%	Cash and cash equivalents	NZ
4	Kiwibank Term Deposit A/C	4.41%	Cash and cash equivalents	NZ
5	NAB Call Account - AUD	3.16%	Cash and cash equivalents	AU
6	Bank Of China Term Deposit	2.40%	Cash and cash equivalents	NZ
7	ANZ Bank Term Deposit	2.40%	Cash and cash equivalents	NZ
8	EML Payments Limited	2.29%	Australasian equities	AU
9	IMImobile PLC	2.22%	International equities	GB
10	Curtis Banks Group PLC	1.96%	International equities	GB

The total value of the top 10 individual assets of the fund make up 36.58% of the net asset value of the fund.

## Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Michael Taylor	Executive Director and CEO	12 years and 0 months	Manager at BOS International	2 years and 0 months
Roy Knill	Independent Non-Executive Director	6 years and 3 months	Director at CityMed	16 years and 6 months
Paul Gregory	Group Head of Investments	1 year and 7 months	Director, External Communications and Investor Capability at Financial Markets Authority	2 years and 1 month
Mark Devcich	Chief Investment Officer	7 years and 9 months	Accountant at PwC	2 years and 6 months

## Further information

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

## Notes

- As the Fund has not been in existence for five full years, its risk category has been calculated using market index returns as well as actual returns. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Market index returns have been used for the period from 1 July 2014 - 31 August 2014.
- For further information on each of the asset classes refer to the PDS and the SIPO.