

# Fund Update

**PIE FUNDS MANAGEMENT SCHEME: PIE AUSTRALASIAN EMERGING COMPANIES FUND**

## Fund update for the quarter ended: 30.09.18

This fund update was first made publicly available on 29.10.18

### What is the purpose of this update?

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

### Description of this fund

The Pie Australasian Emerging Companies Fund will seek to provide investors with long term capital growth by investing predominantly in a concentrated portfolio of hand-picked Emerging Companies, where Pie Funds considers value is greatest and the opportunity of earnings growth is high. The Pie Australasian Emerging Companies Fund may also invest in other types of financial products such as cash and unlisted equities.

Total value of fund	\$96,545,410.69 as at 30.06.18
Date the fund started	02.04.13

### How has the fund performed?

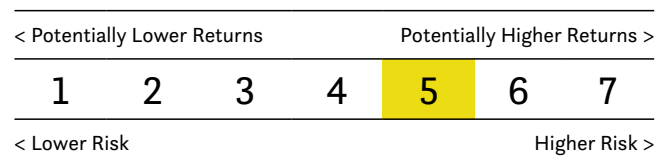
	Average over past 5 years	Past Year
<b>Annual return</b> (after deductions for charges and tax)	19.79%	11.91%
<b>Annual return</b> (after deductions for charges but before tax)	19.52%	12.27%
Market Index annual return (reflects no deduction for charges and tax)	6.10%	10.36%

The S&P/ASX Emerging Companies Accumulation Index (**XECAI**) complements the larger capitalisation indices in the S&P/ASX index suite by representing the performance of companies outside the S&P/ASX 300 Index. The index provides a benchmark for micro-cap investments and incorporates dividends.

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

### What are the risks of investing?

Risk indicator for the Pie Australasian Emerging Companies Fund



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.

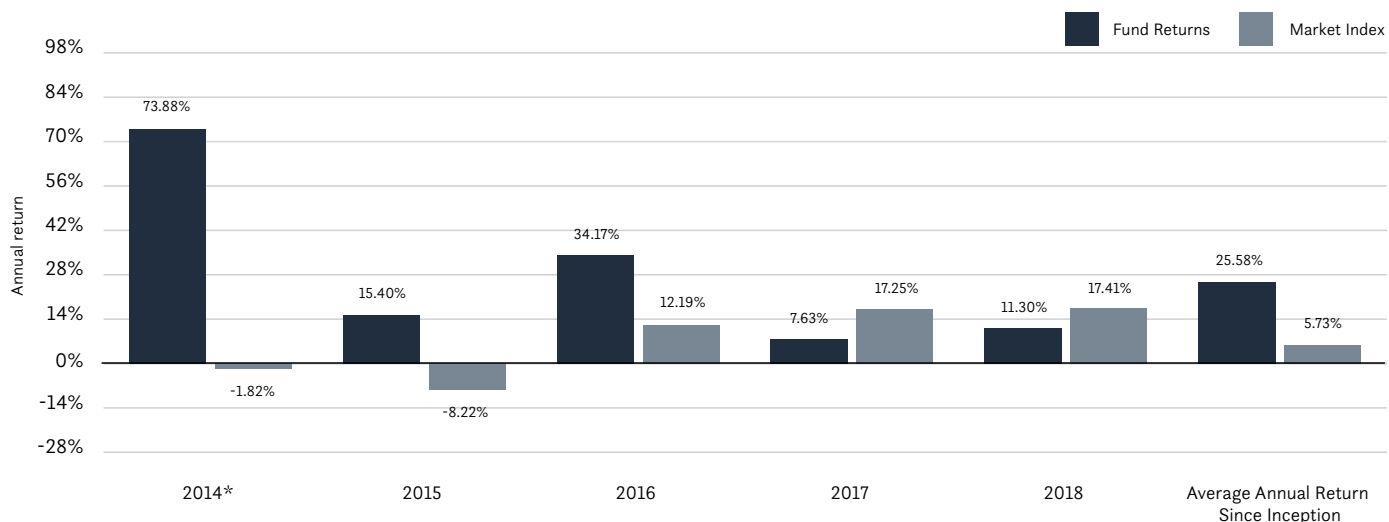
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

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 1 October 2013 - 30 September 2018. 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 30 September 2018. 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.

\*For the period 4 April 2013 - 31 March 2014

## What fees are investors charged?\*

Investors in the Pie Australasian Emerging Fund are charged fund charges. In the year to 31 March 2018, 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>1.53%</b>
Including	
Manager's basic fee	1.53%
Other management and administration charges	0.00%
<b>Total performance-based fees</b>	<b>0.92%</b>
<b>Other charges</b>	<b>\$ amount per investor</b>
Other charges	\$0.00

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

See the PDS 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.

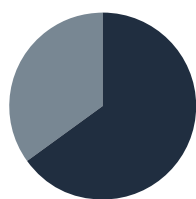
## Example of how this applies to an investor

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 \$1,227 (that is 12.27% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total return after tax of \$1,191 for the year.

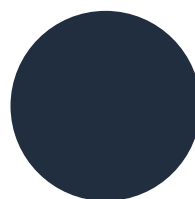
## What does the fund invest in?

This shows the types of assets that the fund invests in.<sup>1</sup>



### Actual investment mix

- Australasian equities 65.09%
- Cash and cash equivalents 34.92%



### Target investment mix

- Australasian equities 100%

**Hedging:** We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged foreign currency exposure is 70.9% (unhedged 29.1%).

## Top 10 investments

	Name	% of fund net assets	Type	Country
1	ANZ Call Account	16.35%	Cash and cash equivalents	NZ
2	ANZ Bank Term Deposit	9.03%	Cash and cash equivalents	NZ
3	JPMorgan Currency Call Account	8.69%	Cash and cash equivalents	NZ
4	Kip McGrath Education Centres Ltd	7.35%	Australasian equities	AU
5	Temple & Webster Group Ltd	6.07%	Australasian equities	AU
6	Rhipe Ltd	5.44%	Australasian equities	AU
7	Noni B Ltd	4.62%	Australasian equities	AU
8	National Tyre & Wheel Ltd	3.91%	Australasian equities	AU
9	Specialty Fashion Group Ltd	3.83%	Australasian equities	AU
10	Latam Autos Ltd	3.58%	Australasian equities	AU

The total value of the top 10 individual assets of the fund make up 68.87% 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	CEO, CIO and Executive Director	11 years and 3 months	Manager at BOS International	2 years and 0 months
Roy Knill	Non-Executive Director and Chairman of the Investment Committee	5 years and 6 months	Director at CityMed	15 years and 9 months
Paul Gregory	Head of Investments	0 years and 10 months	Director, External Communications and Investor Capability at Financial Markets Authority	2 years and 1 month
Mark Devcich	Head of Research and Portfolio Manager	7 years and 0 months	Accountant at PwC	2 years and 6 months
Christopher Bainbridge	Senior Investment Analyst and Portfolio Manager	6 years and 0 months	Lawyer at Freshfields Bruckhaus Deringer LLP London	2 years and 10 months

## Further information

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

## Notes

1. For further information on each of the asset classes refer to the PDS and the SIPO.