

Fund Update

PIE FUNDS MANAGEMENT SCHEME: PIE GLOBAL SMALL COMPANIES FUND

Fund update for the quarter ended: 30.09.16

This fund update was first made publicly available on 31.10.16

What is the purpose of this update?

This document tells you how Pie Global Small 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 Global Small Companies Fund will seek to provide investors with long term capital growth by accessing the higher potential growth of Smaller Companies by investing in managed funds from around the world that focus investment on Smaller Companies. In addition, the Pie Global Small Companies Fund will invest directly in globally listed Smaller Companies and cash and may invest in ETFs, unlisted Smaller Companies and in the other Pie Funds products.

Net Asset Value	\$64,200,159 as at 30.09.16
Date the fund started	02.09.13

How has the fund performed?

	Past Year
Annual return (after deductions for charges and tax)	5.34%
Annual return (after deductions for charges but before tax)	7.13%
Market Index annual return (reflects no deduction for charges and tax)	11.54%

The S&P Global SmallCap 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.

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

What are the risks of investing?

Risk indicator for Pie Global Small Companies Fund ¹

< 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.

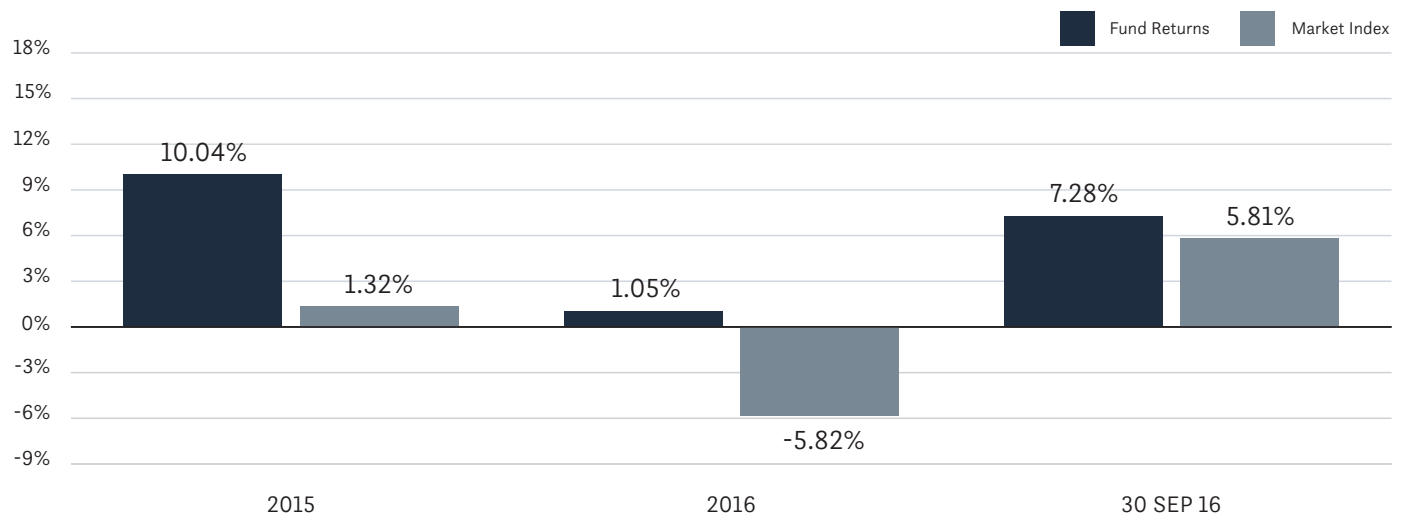
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter

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 2011 to 30 September 2016. 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 2016. 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 Pie Global Small Companies Fund are charged fund charges. In the year to 31 March 2016 these were:

	% of net asset value
Total fund charges	2.68%
Which are made up of:	
Total management and administration charges	1.94%
Including	
Manager's basic fee	1.20%
Other management and administration charges	0.74%
Total performance-based fees	0.75%
Other charges	\$ amount per investor
Other charges	\$0.00

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). See the Product Disclosure Statement for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

Example of how this applies to an investor

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 \$713 (that is 7.13% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total return after tax of \$534 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.²



Target investment mix

Cash and cash equivalents	0%	Listed property	0%
New Zealand fixed interest	0%	Unlisted property	0%
International fixed interest	0%	Commodities	0%
Australasian equities	20%	Other	0%
International equities	80%		

Top 10 investments

	Name	% of fund net assets	Type	Country
1	Granahan US Focused Growth Fund	8.30%	International Equities	US
2	Virtus GF Small Cap	8.27%	International Equities	US
3	William Blair Emerging	8.08%	International Equities	US
4	ANZ 28 A/C (Credit Rating: AA-)	7.08%	Cash and Equivalents	NZ
5	Argos Funds	5.49%	International Equities	LU
6	EastSpring japan smaller	5.02%	International Equities	JP
7	CitiBank USD A/C (Credit Rating: A+)	4.95%	Cash and Equivalents	NZ
8	Pie Dividend Fund	4.71%	Australasian Equities	NZ
9	ANZ USD A/C (Credit Rating: AA-)	4.64%	Cash and Equivalents	NZ
10	Pie Growth Fund	4.06%	Australasian Equities	NZ

The total value of the top 10 individual assets of the fund make up 60.60% 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 and CIO	9 years and 3 months	Banking Analyst at BOS International	2 years and 0 months
Roy Knill	Non-Executive Director	3 years and 6 months	Director at CityMed	14 years and 0 months
Mark Devcich	Head of Research and Portfolio Manager	5 years and 0 months	Accountant at PwC	2 years and 6 months
Christopher Bainbridge	Senior Investment Analyst and Portfolio Manager	4 years and 0 months	Lawyer at Freshfields Bruckhaus Deringer LLP London	2 years and 10 months
Christopher Wright	Investment Analyst	2 years and 7 months	Banking Clerk at BNZ	1 year and 6 months

Further information

You can also obtain this information, the PDS for the Pie Global Small Companies Fund, and some additional information from the offer register at 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 October 2011 - 31 August 2013.
- For further information on each of the asset classes refer to the PDS and the SIPO.