

# Fund Update

## PIE FUNDS MANAGEMENT SCHEME: PIE GROWTH UK & EUROPE FUND

### Fund update for the quarter ended: 30.06.17

This fund update was first made publicly available on 28.07.17

#### What is the purpose of this update?

This document tells you how the Pie Growth UK & Europe 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 Growth UK & Europe Fund will seek to provide investors with long term capital growth by investing predominantly in a concentrated portfolio of hand-picked listed UK and European Companies, where Pie Funds considers value is greatest and the opportunity of earnings growth is high. The Pie Growth UK & Europe Fund may also invest in other types of financial products such as cash and unlisted equities.

Total value of fund	\$75,888,808.77 as at 30.06.17
Date the fund started	01.11.16

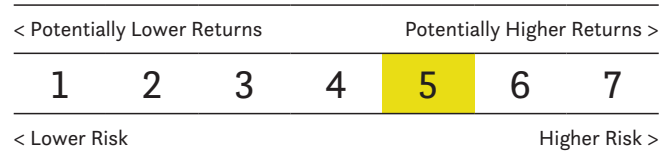
#### How has the fund performed?

	Past Year
Annual return (after deductions for charges and tax)	Not Applicable
Annual return (after deductions for charges but before tax)	Not Applicable
Market Index annual return (reflects no deduction for charges and tax)	28.79%

The Morningstar UK Small Cap NR GBP index measures the performance of UK small-cap stocks. These stocks fall between the 90th and 97th percentile in full market capitalization in the UK. In aggregate, represents approximately 7 percent of the full market capitalization in the UK. Additional information about the market index is available on the offer register.

#### What are the risks of investing?

Risk indicator for the Pie Growth UK & Europe Fund<sup>1</sup>



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 July 2012 - 30 June 2017. 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.

## What fees are investors charged?\*

Investors in Pie Growth UK & Europe Fund are charged fund charges. As the fund has not been in existence for the whole of the most recent scheme year, our best estimate of the total annual fund charges are<sup>2</sup>:

	% of net asset value
<b>Total fund charges</b>	<b>3.19% (estimate)</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>1.50% (estimate)<sup>3</sup></b>
Including	
Manager's basic fee	1.50% (estimate)
Other management and administration charges	0%
<b>Total performance-based fees</b>	<b>1.69% (estimate)<sup>4</sup></b>
<b>Other charges</b>	<b>\$ amount per investor</b>
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, although these are not currently charged by Pie Funds. Small differences in fees and charges can have a big impact on your investment over the long term.

\*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.

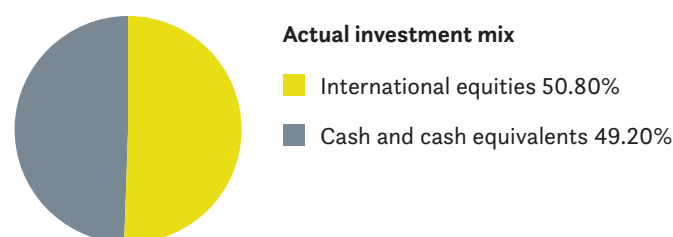
## Example of how this applies to an investor\*

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 \$2,560 (that is 25.6%) of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total return after tax of \$2,560 for the year.

\*As the fund has not been in existence for a full calendar year, the figures in this example are based on the market index annual return less the estimated fees above.

## What does the fund invest in?

This shows the types of assets that the fund invests in.<sup>5</sup>



## 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	0%	Other	0%
International equities	100%		

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.

## Top 10 investments

	Name	% of fund net assets	Type	Country
1	Citibank STG Call AC	20.58%	Cash and cash equivalents	NZ
2	ANZ 28 A/C	18.66%	Cash and cash equivalents	NZ
3	Citibank EUR Call AC	10.84%	Cash and cash equivalents	NZ
4	Curtis Bank Group Plc	7.69%	International Equities	GB
5	ESI Group SA	7.40%	Cash and cash equivalents	FR
6	Dotdigital Group Plc	5.83%	International Equities	GB
7	SafeCharge International Group Limited	5.33%	International Equities	GB
8	IMImobile Plc	4.92%	International Equities	GB
9	Tecnoinvestimenti Spa	4.41%	International Equities	IT
10	Keywords Studios Plc	3.66%	International Equities	GB

The total value of the top 10 individual assets of the fund make up 89.32% 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	10 years and 0 months	Banking Analyst at BOS International	2 years and 0 months
Roy Knill	Non-Executive Director and Chairman of the Investment Committee	4 years and 3 months	Director at CityMed	14 years and 0 months
Mark Devcich	Head of Research and Portfolio Manager	5 years and 9 months	Accountant at PwC	2 years and 6 months
Christopher Bainbridge	Senior Investment Analyst and Portfolio Manager	4 years and 9 months	Lawyer at Freshfields Bruckhaus Deringer LLP London	2 years and 10 months
Christopher Wright	Investment Analyst and Co-Portfolio Manager	3 years and 4 months	Banking Clerk at BNZ	1 year and 6 months

## Further information

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

## Notes

1. 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 2012 - 31 October 2016.
2. As the fund commenced on 1 November 2016 a full year had yet to be completed. Therefore in accordance with clause 63(4) of schedule 4 of the Financial Markets Conduct Regulations 2014 (FMC Regulations), instead of providing the actual total fund charges for the fund, we have provided the total annual fund charges calculated as a percentage of net asset value based on a best estimate of the relevant charges in accordance with clause 32 of schedule 4 of the FMC Regulations.
3. The determination of these fees is based on estimates based on Pie Funds' experience with other schemes it manages.
4. The determination of these fees is based on estimates using the market index (Morningstar UK Small Cap NR GBP) annual return as the fund has only been in existence since 1 November 2016.
5. For further information on each of the asset classes refer to the PDS and SIPO.