

# Fund Update

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

### Fund update for the quarter ended: 31.03.18

This fund update was first made publicly available on 27.04.18

#### 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	\$100,841,387.88 as at 31.03.18
Date the fund started	01.11.16

#### How has the fund performed?

	Past Year
<b>Annual return</b> (after deductions for charges and tax)	12.03%
<b>Annual return</b> (after deductions for charges but before tax)	11.89%
Market Index annual return (reflects no deduction for charges and tax)	6.16%

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>

< 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.

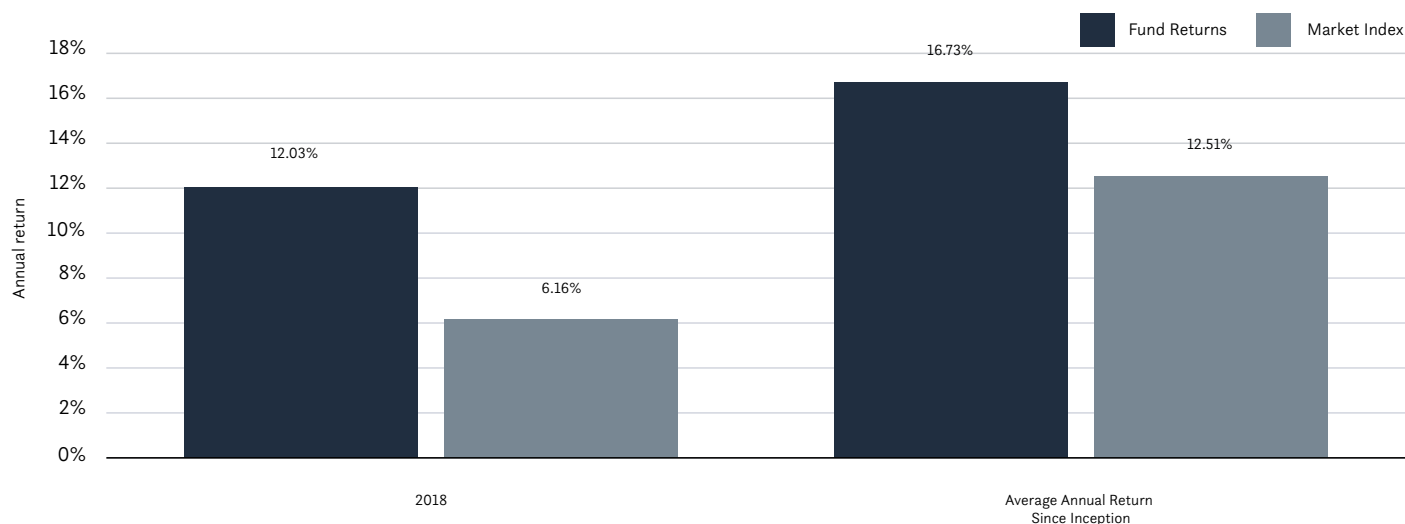
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

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 1 April 2013 - 31 March 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 31 March 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.

## What fees are investors charged?\*

Investors in Pie Growth UK & Europe Fund are charged fund charges. In the year to 31 March 2018, these were:

	% of net asset value
<b>Total fund charges</b>	<b>3.49%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>1.63%</b>
Including	
Manager's basic fee	1.63%
Other management and administration charges	0%
<b>Total performance-based fees</b>	<b>1.86%</b>
<b>Other charges</b>	<b>\$ amount per investor</b>
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. 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 \$1,189 (that is 11.89% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total return after tax of \$1,203 for the year.

## What does the fund invest in?

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

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 ANZ Deposit	19.01%	Cash and cash equivalents	NZ
2 Westpac Deposit	15.61%	Cash and cash equivalents	NZ
3 JPMorgan Deposit	13.17%	Cash and cash equivalents	NZ
4 Curtis Banks Group PLC	8.41%	International equities	GB
5 IMImobile PLC	8.39%	International equities	GB
6 TRACSiS PLC	5.71%	International equities	GB
7 SafeCharge International Group Ltd	4.87%	International equities	GB
8 STM Group PLC	4.43%	International equities	GB
9 Dotdigital Group PLC	4.42%	International equities	GB
10 AFH Financial Group PLC	3.86%	International equities	GB

The total value of the top 10 individual assets of the fund make up 87.88% 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	10 years and 9 months	Manager at BOS International	2 years and 0 months
Roy Knill	Non-Executive Director and Chairman of the Investment Committee	5 years and 0 months	Director at CityMed	14 years and 0 months
Paul Gregory	Head of Investments	0 years and 4 month	Director, External Communications and Investor Capability at Financial Markets Authority	2 years and 1 month
Christopher Wright	Senior Investment Analyst and Co-Portfolio Manager	4 years and 1 month	Banking Clerk at BNZ	1 year and 6 months
Daniel Sims	Senior Investment Analyst and Co-Portfolio Manager	1 year and 6 months	Investment Analyst at Farnam Investment Management	3 years and 7 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

- 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 April 2013 - 31 October 2016.
- For further information on each of the asset classes refer to the PDS and SIPO.