



---

# Statement of Investment Policy and Objectives

---

## PIE FUNDS MANAGEMENT SCHEME

ISSUED BY  
PIE FUNDS MANAGEMENT LIMITED  
DATED 1 APRIL 2026

# TABLE OF CONTENTS

---

Description of the Scheme and Funds	3
Investment philosophy and strategy	4
Investment process – how we invest	5
Key investment policies	7
SIPO compliance and review	10
Key investment policies	11
Glossary and further explanations	12
Schedules (Investment Objective and Strategy) for:	
1. Pie Australasian Growth Fund	13
2. Pie Australasian Emerging Companies Fund (CLOSED)	14
3. Pie Australasian Growth 2 Fund	15
4. Pie Dividend Growth Fund (CLOSED)	16
5. Pie Global Growth Fund	17
6. Pie Global Growth 2 Fund	18
7. Pie Growth UK & Europe Fund	19
8. Pie Conservative Fund	20
9. Pie Fixed Income Fund	21
10. Pie Property & Infrastructure Fund	22
11. Pie Chairman’s Fund	23

# Description of the Scheme and Funds

---

This Statement of Investment Policy and Objectives (**'SIPO'**) is for the Pie Funds Management Scheme (**'Scheme'**) and its underlying investment funds (**'Funds'**). The Scheme is registered under the Financial Markets Conduct Act 2013 as a managed investment scheme. Each Fund is a separate trust within the Scheme, managed by Pie Funds Management Limited (**'Manager'**).

The Supervisor of the Scheme is Trustees Executors Limited (**'TEL'**). It is responsible for the supervision of the Scheme and the Manager. The Supervisor is independent of the Manager.

This SIPO sets out the investment policies and objectives for the Funds. It can change from time to time without notice to investors (provided prior written notice is given to TEL).

The most current version of this SIPO, along with the Product Disclosure Statement (**'PDS'**), the Other Material Information Document (**'OMI'**) and other documentation relevant to the Funds is available at [www.piefunds.co.nz](http://www.piefunds.co.nz) and on the Disclose register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Throughout the SIPO, we use **'Pie Funds'**, **'we'**, **'our'** or **'us'** to refer to Pie Funds Management Limited.

The Scheme is governed by a Governing Document dated 20 July 2016, as amended from time to time.

Each of the funds is a Portfolio Investment Entity (**'PIE'**) for tax purposes and is a unit trust. Under this structure, our custodian Apex Investment Administration (NZ) Limited (**'Apex'**) holds the assets of the unit trust on behalf of investors, who own units in that unit trust. While we are responsible for selecting and managing its investments, Apex as custodian holds the assets separately from, and independently of, us.

There are eleven (11) Funds in the Scheme:

## Australasian Growth Funds

1. Pie Australasian Growth Fund (**'Australasian Growth Fund'**)
2. Pie Australasian Emerging Companies Fund (**'Emerging Companies Fund'**) (**Closed**)
3. Pie Australasian Growth 2 Fund (**'Australasian Growth 2 Fund'**)
4. Pie Australasian Dividend Growth Fund (**'Dividend Growth Fund'**) (**Closed**)

## Global Growth Funds

5. Pie Global Growth Fund (**'Global Growth Fund'**)
6. Pie Global Growth 2 Fund (**'Global Growth 2 Fund'**)
7. Pie Growth UK & Europe Fund (**'Growth UK & Europe Fund'**)

## Diversified and Fixed Income Funds

8. Pie Conservative Fund (**'Conservative Fund'**)
9. Pie Fixed Income Fund (**'Fixed Income Fund'**)
10. Pie Property and Infrastructure Fund (**'Property & Infrastructure Fund'**)
11. Pie Chairman's Fund (**'Chairman's Fund'**)

# Investment philosophy and strategy

---

Investment markets change all the time. Sometimes it is clear what is causing the change in the market or in individual assets, other times it's not. We believe the market often values or prices assets incorrectly and this provides opportunities.

To take advantage, the Funds use an active investment strategy to help deliver the best long term results. Generally, this means buying assets when they are cheap and selling them when they are expensive. It's not an exact science but we believe active investors can achieve above-average market returns – that is our goal.

## The key principles of our philosophy are:

1. We are an active manager, and we believe skilled active investing delivers better long term results.
2. We research the assets we invest in to determine:
  - Which type and mix of assets will best meet a fund's objectives without unnecessary risk, given market conditions
  - How best to invest in those assets (e.g. directly, through managed funds, derivatives etc)
  - Which assets to invest in (e.g. bonds, term deposits, derivatives or shares in companies)
3. Our key competencies are in active equity investment. We are a high-conviction manager, so we look for a relatively small number of companies we believe the market has mispriced, relative to the companies' outlooks. This means we think the companies we pick, have one or more of the following characteristics:
  - are growing sales and earnings; and/or
  - are good quality; and/or
  - are undervalued.

We believe this approach will generate higher returns in the long term, but a Fund may experience higher volatility and underperform the relevant market index or our competitors for a time. It may also mean we temporarily suspend withdrawals from a Fund in some circumstances.

4. Where we do not have key competencies in areas we believe will benefit our investors, we engage with organisations that can provide them e.g. research providers.
5. We undertake systematic quantitative research to assist our portfolio managers with stock selection. Actively screening our investment universe from a quantitative perspective allows our investment team to identify the factors we are looking for that we believe will deliver outperformance. For example screening for quality or growth factors.

# Investment process – how we invest

---

Pie Funds is an active, high-conviction fund manager. Our investing approach has three key elements. We look for quality businesses, we look at valuation, and we're continually focused on our own decision-making quality.

## Business quality

Good businesses are not exactly alike but they tend to have common characteristics emerging from our research, including direct engagement with the company.

- A sustainable competitive advantage (or 'moat')
- Good management
- Low or no debt
- Earnings growth
- Strong free cashflow
- High (cash) return on operating capital

This does not mean we invest only in such companies. For example, for investments within the Fixed Income Fund and the Property & Infrastructure Fund we may apply different business quality characteristics in our decision-making. This is because property and infrastructure securities often require substantial debt to fund projects and therefore we also assess these based on serviceability of the debt.

From time-to-time, companies in certain sectors may benefit from cycles, helping to increase returns for our investors. However, over time, we expect high-quality businesses to be the main driver of returns in our funds. So, they are the focus of our idea-generation efforts.

In addition, from time-to-time the funds may invest in ETF's to gain exposure to sectors or regions where we prefer to own a basket of positions, rather than take single company risks.

Our investment process and analysis can be both quantitative and qualitative, and where we believe it adds value, we utilise artificial intelligence to assist our investment analysts and portfolio managers in constructing portfolios.

## Stress testing

Outside of significant market sell-downs, we stress test our funds at least semi-annually against a range of disaster scenarios appropriate to the risks in the Funds (so, global disaster scenarios for the Global Growth Funds and more Australasian-centric scenarios for the Australasian Growth Funds).

These tests look not only at the volatility and loss for the Funds, but any impacts on their liquidity and ability to meet investor withdrawals given many Funds focus on Smaller Companies.

## Valuation

We strive not to overpay for companies, even if they are high-quality. We construct a view of what we believe a company is worth and then take a probability-based view of the company's current price. For example, if it is highly valued do we think their earnings growth momentum will continue.

Sometimes a company is cheap because the market has overestimated the likelihood or severity of something bad happening and its share price is dropping. Sometimes it is cheap because the market has not fully or properly appreciated some value-adding aspect of the company's operations or outlook.

In both cases, the risk or opportunity for that company is mispriced, which we typically find attractive and figure into our valuation and purchasing decisions.

## Our decision quality

Active investment is not just about what you buy and when. It is also about who does it and how. Deciding whether a company is high quality, determining a valuation and being disciplined about not overpaying are ultimately about human decisions and behaviour. Key qualities and habits for our own process are:

- Patience
- Avoidance of unnecessary cost
- Emotional neutrality about our positions
- High appetite to learn from our mistakes
- Continuous self-improvement (of our process and capabilities)

## Review and governance

The Investment Team regularly reviews each Fund and their own and each other's individual buy and sell decisions.

The responsible oversight body for approving and ensuring adherence to the SIPO is the Investment Committee, which is a sub-committee of the Board of Pie Funds. The Investment Committee's objective is to assist the Board with its responsibility in respect of investment oversight, including portfolio structures, performance and risk.

---

The Investment Committee currently comprises the Chief Executive Officer, the Chief Investment Officer, senior members of the Investment team and Board representation.

The Investment Committee does regular, detailed reviews of each Fund. This includes a risk assessment covering:

- liquidity
- market and currency risk
- fund-specific risk arising from the size and nature of certain positions
- performance
- compliance with this SIPO and other set parameters

## Market index

Each Fund has an appropriate market index, or blend of market indices, which is appropriate in terms of assessing movements in the market in relation to the returns from the Fund. This allows investors to understand their Fund's performance.

The Investment Committee reviews the appropriateness of each market index annually. Further information about each Fund's market index (or indices) is set out in the Schedules to this document.

## Reporting

We report each Fund's performance to investors in monthly fact sheets. Fund performance (after fees and before individual PIR tax is applied) is typically reported for the following time periods (as applicable) – 1 month, 1 year, 3 years (per annum), 5 years (per annum), 10 years (per annum) and on an annualised since inception basis. In addition, quarterly fund updates are prepared for each Fund in accordance with the Financial Markets Conduct Act 2013 and are available on the Disclose Register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

# Key investment policies

---

## Hedging and derivatives

We may seek to hedge market risk, including during a market correction, to try to protect Fund assets and reduce downside volatility and investment drawdowns.

We will do this at our discretion by:

- purchasing exchange-traded or OTC index or sector put options
- short-selling individual or baskets of listed shares and/or other OTC equity derivatives
- short-selling exchange-traded Futures contracts

We can also vary the level of cash and short-term deposits a Fund is holding if we believe it is appropriate. While we could increase the level of cash and short-term deposits up to 100% in adverse market conditions, it is not our intention or expectation that we would do that.

## Counterparty risk

Counterparty risk relates to the risk of financial loss through the default of a financial counterparty (e.g. trading or banking partner). We aim to reduce this risk by setting and adhering to internal exposure limits for each of our trading and banking partners. Essentially, we ensure that we do not hold accounts with only one banking/trading partner but spread this across several relationships.

Our exposure limits are determined with reference to the credit ratings provided by S&P, or where no S&P rating is available, then equivalent Fitch or Moody's rating.

## Currency hedging

We hedge currency exposure to reduce, eliminate or change the effect of the New Zealand dollar appreciating against the home currencies of our offshore investments.

For example, if the New Zealand dollar appreciates in value against the US Dollar, any US-based investments we have are worth less in New Zealand dollars (which is what our investors are paid in when they withdraw their funds). Hedging counters that effect. But if the New Zealand dollar declines in value against the US dollar, any US-based investments are worth more in New Zealand dollars. So, our investors are better off if we don't hedge.

Except for the Fixed Income Fund and the Property & Infrastructure Fund (for which the target hedging level is 100%), our approach is not to fully hedge foreign currency exposure. Some will be unhedged. This decision is at our discretion. When we hedge, we typically buy forward New Zealand dollar exposure, and sell the relevant foreign currency exposure, in one-month rolling contracts. We can also purchase investments already partially or fully hedged to the New Zealand dollar (many ETFs and derivatives provide this option).

When deciding whether to hedge, how much to hedge and with what instruments, we consider the diversification benefits of foreign currency against the benefits to the Funds from currency hedging. Currency hedges are considered weekly, but generally rebalanced monthly to align with the current hedging policy.

Currency hedges may be adjusted during the month if there are significant deposits into or withdrawals from the relevant Fund, there is a change in hedging policy or market conditions, or the Investment Team considers it appropriate.

## Tactical asset allocation

Pie Funds may take short-term trading positions, in each Fund, where we believe a stock is mispriced. Trading positions will typically not exceed 10% of the portfolio of the relevant Fund.

## Liquidity and cash flow management policy

Funds should have sufficient liquidity to meet ongoing short-term operational requirements, for example but not limited to:

- settlement of securities purchased
- settlement of derivatives, including foreign currency hedges
- anticipated Fund withdrawals and switches between Funds
- to meet the fees and expenses of the Fund.

---

The liquidity and cash flow of the Funds is monitored by portfolio managers and the Investment Committee. Particular attention is paid to the liquidity of those Funds investing in Smaller Companies, as Smaller Companies can be highly illiquid (and we expect to be compensated for that risk). We regularly monitor the overall liquidity of each Fund, given its holdings (and including cash), relative to its withdrawal period.

Liquidity management is assisted by each Fund's exposure to cash and short-term deposits.

Pie Funds has discretion to increase the level of cash and short-term deposits in each Fund up to 100% of the portfolio. We actively manage the cash levels in the Funds and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Funds to 100%.

## **Rebalancing – Conservative Fund, Fixed Income Fund and Property & Infrastructure Fund only**

The assets of each of the Conservative Fund, the Fixed Income Fund and the Property & Infrastructure Fund are regularly reviewed against the target investment mix and the holdings of the relevant Fund may be rebalanced to ensure the actual mix of assets in the Fund reflects the target investment mix – in particular, the mix between the growth and income allocation in the Fund and between the blend of income-generating assets i.e., between cash and fixed income, as applicable.

Rebalancing is at our discretion and we may choose not to rebalance where the actual investment mix remains within the limits (as described in Schedules 8, 9 and 10) and we believe there is an opportunity to be underweight or overweight the target investment mix. If however there are breaches of limits, we will rebalance the Fund in line with limits as quickly as possible.

If the actual asset mix in the Fund doesn't reflect the target investment mix, actual investment risk in the Fund could be significantly greater or smaller than the target risk level.

Note – we do not rebalance the other Funds.

## **Conflicts of interest policy**

We recognise the issues conflicts of interest or potential conflicts can present, particularly those between investors and us (or between investors and individual staff). We have adopted the Conflicts of Interest Policy ('**Conflicts Policy**').

The Conflicts Policy assists our employees to recognise, disclose and manage conflicts of interest and potential conflicts between us (or individual staff) and investors. The Conflicts Policy also provides a procedure to manage and resolve any potential or apparent conflicts in a way that is fair to investors. More detailed information about what conflicts may arise, and our process for dealing with them when they do, is described in our OMI document available at: [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

There are stringent systems and controls in place to minimise the risks of conflicts of interests. This includes ongoing training on prohibited activities, such as insider trading, the segregation of duties between the Investment Team and compliance to ensure robust checks and balances and the maintenance of restricted trading lists.

## **Responsible Investment policy**

Environmental, social and governance ('**ESG**') risks and opportunities can affect the risk and return of investments. We have a Responsible Investment Policy whereby we screen direct investments and integrate ESG considerations within our investment process.

The current version of the Responsible Investment Policy can be found on the Disclose Register [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) and at [www.piefunds.co.nz](http://www.piefunds.co.nz). The policy may be amended from time to time.

---

## **Pricing and valuation policy**

Pricing and valuing the assets of each Fund is done by Apex, independent of the Manager, guided by an agreed methodology. This outsourcing arrangement is governed by a Services Agreement between Apex and the Manager.

While pricing and valuation is undertaken by Apex, we remain responsible for the pricing and valuation of the Funds.

## **Taxation policy**

Each Fund is a Portfolio Investment Entity (PIE).

The income is taxed at the investor's 'prescribed investor rate' (**PIR**), currently capped at 28%. Unless the investor has a PIR of 0%, we pay tax on an investor's behalf to the IRD. We then make any necessary adjustments to an investor's interests in the relevant Fund (by cancelling or issuing units), reflecting that tax is paid at varying rates for different investors.

# SIPO compliance and review

---

Pie Funds' Investment Committee reviews the SIPO annually and regularly reviews the specific parameters, restrictions and ranges contained in the SIPO. The Investment Committee may also review (and, if necessary, amend) the SIPO following adverse market or other events, such as poor investment performance, where the Investment Committee believes a review, and possible change, is in investors' interests.

Any changes to the SIPO will be in accordance with the requirements of the Governing Document and the FMCA, including giving prior written notice to the Supervisor. This includes giving at least 30 day's written notice to investors if they will be materially affected by amendments to the SIPO. Further, we follow a process whereby the Supervisor will review any changes made.

The Investment Committee could consider the following factors in reviewing / amending the SIPO:

- a change in Fund investment strategy or objective
- a change in personnel
- a change to a policy
- a change in risk factors

# Key investment policies

## Short-selling, use of derivatives and currency hedging<sup>^</sup>

This table shows whether a Fund can sell short, borrow, or use derivatives and, if so, limitation on their use. The Funds will not borrow cash. Short selling means Funds can borrow and short-sell individual shares and bonds.

Some Funds can use derivatives to gain long or short exposure to permitted assets (the list of authorised investments is set out in the Schedule for each Fund). This is most often done as a cost-effective way of purchasing a permitted asset, or for market hedging.

Fund	Short sell	Borrow Cash	Derivatives	Foreign Currency Exposure (as a percentage of Fund NAV)	
				Minimum	Maximum**
<b>AUSTRALASIAN GROWTH FUNDS</b>					
<b>Australasian Growth</b>	Yes	No	Yes	0%	100%
<b>Emerging Companies</b>	Yes	No	Yes	0%	100%
<b>Australasian Growth 2</b>	Yes	No	Yes	0%	100%
<b>Dividend Growth</b>	Yes	No	Yes	0%	100%
<b>GLOBAL GROWTH FUNDS</b>					
<b>Global Growth</b>	Yes	No	Yes	0%	100%
<b>Global Growth 2</b>	Yes	No	Yes	0%	100%
<b>Growth UK &amp; Europe</b>	Yes	No	Yes	0%	100%
<b>DIVERSIFIED AND FIXED INCOME FUNDS</b>					
<b>Conservative</b>	Yes	No	Yes	0%	60%
<b>Fixed Income</b>	Yes	No	Yes	0%	50%
<b>Property &amp; Infrastructure</b>	Yes	No	Yes	0%	50%
<b>Chairman's</b>	No*	No	No*	0%	100%

<sup>^</sup>For definitions, please see 'Glossary and further explanations' on page 12.

\*Exposure of this nature cannot be direct but may be indirect through investment in underlying Other Pie Funds Products.

\*\*For the Fixed Income Fund and the Property & Infrastructure Fund the target for hedging foreign currency exposure is 100%. The other Funds can also hedge up to 100% of foreign currency exposure. This typically happens when the Manager believes it necessary to preserve investor capital in strongly adverse market conditions. While we actively manage currency exposure, it is not our intention to 100% hedge the foreign currency exposure other than for the Fixed Income Fund and the Property & Infrastructure Fund.

# Glossary and further explanations

---

**Borrow Cash:** Where the Fund borrows money from another party to invest, perhaps in company shares. This is not relevant for these Funds as borrowing cash is not permitted.

**Cash and cash equivalents** includes cash in banks and term deposits.

**Derivatives:** A Fund may use derivatives to gain exposure to authorised investments (the list of authorised investments is set out in the Schedules). This is most often done because it is a more cost-effective way of purchasing an authorised investment. The most common types of derivatives will be index futures, which can provide efficient exposure to a sector – for example healthcare companies – region or specific country. Short index futures are also an efficient way to provide market hedging.

**Emerging Companies:** Refers to companies the shares in which at the time of investment have a Market Capitalisation of up to approximately \$250 million (or the equivalent in local currency).

**Equities:** Includes Australian, New Zealand and other international equities and equity-like listed and unlisted securities, including ordinary, preference and partly paid shares, convertible securities, warrants, ETFs, listed property and options.

**ESG:** Environmental, Social and Governance factors which can present risk or opportunities for companies and for investors in those companies. For example, climate change risk, independence of directors, and child labour in the supply chain.

**ETF:** An exchange traded fund, a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund.

**Futures:** A financial contract to purchase an asset (or the seller to sell an asset), such as a physical commodity, or an index, at a predetermined future date and price.

**Infrastructure Securities** means shares in infrastructure companies. Those companies own or invest directly in assets that provide essential services to society, for example gas and electricity distribution assets, water, toll-roads, airports and telecommunication towers. These investments are generally listed on a stock exchange.

**International Fixed Interest** includes fixed interest securities, loans, bonds, ETFs, and other yield-bearing investments outside of New Zealand.

**Large Companies:** Those companies considered by relevant industry standards to have a large Market Capitalisation, relevant to the exchange they are listed on. Typically, this will be companies of US\$2 billion or above in Market Capitalisation.

**Listed Property** includes equity and equity-like listed securities in companies, including REITs, operating primarily in the property sector including ordinary, preference and partly paid shares, convertible securities, warrants, ETFs, futures and options.

**Managed fund:** An investment product whereby investors' money is pooled together and is used by the investment manager to buy investments and manage them on behalf of all investors in the fund.

**Market Capitalisation:** The total value of the company's shares on issue.

**Medium Companies:** Refers to companies which are considered by relevant industry standards to have a medium Market Capitalisation relative to the exchange that they are listed on and may also include unlisted Smaller Companies.

**New Zealand Fixed Interest** includes fixed-interest securities, loans, bonds, ETFs, and other yield-bearing investments in New Zealand.

**Other Pie Funds Products:** a managed fund product issued by Pie Funds under the Pie Funds Management Scheme.

**OTC or Over the Counter:** Refers to a security which is not traded on a formal stock exchange.

**PIE:** Portfolio Investment Entity as defined in the Income Tax Act 2007.

**REIT:** Real estate investment trust, being a company that owns, and in most cases operates, income-producing real estate.

**Short Sell** is different from long positions – the typical positions in Pie Funds – which are shares a Fund buys and holds with the objective of selling for a higher price. When short selling, the Fund borrows a share from another party (and pays them a fee) and sells it, with the expectation the value of the share will decline. The Fund then buys the share back at the lower price and returns it to the party they bought it from. The Fund and its investors make money on short positions if the share price of the borrowed security falls – the reverse of how money is usually made i.e. on long positions.

**Smaller Companies:** Refers to companies which are considered by relevant industry standards to have a small Market Capitalisation relative to the exchange that they are listed on. Smaller Companies also includes Emerging Companies and may also include unlisted smaller companies (within specified maximum limits).

# 1 Schedule: Australasian Growth Fund Investment Objective and Strategy

## Investment objective and strategy

The Australasian Growth Fund seeks to provide investors with capital growth by investing predominantly in a concentrated portfolio of hand-picked listed Australasian Smaller Companies, where Pie Funds considers value is greatest and the opportunity of earnings growth is high.

The Fund will typically not hold more than 40 equity positions at any time\*. No equity position will exceed 20% of the Fund at any time.

During periods of uncertainty, the Australasian Growth Fund can increase its cash and cash equivalent position up to 100% of the portfolio to reduce downside volatility and help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in financial products such as unlisted equities and companies that are not Smaller Companies.

*\*The Fund follows a concentrated, high-conviction strategy. During periods of uncertainty, the portfolio manager may increase the number of holdings to serve clients' interests. Uncertainty can often mean a buyer's market – but not always, which is why the portfolio manager can also raise cash levels as set out above. Increasing the number of positions during periods of uncertainty means the portfolio manager has more flexibility to use cash to fund opportunities, rather than having to sell existing holdings at likely unattractive prices. The Manager will disclose to investors when this contingency measure is in action, in the first available quarterly fund update.*

## Minimum recommended investment timeframe

Five years.

## Market index

We do not formally benchmark the performance of the Australasian Growth Fund, nor do we have benchmark asset allocation or ranges for the Australasian Growth Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because the index represents the small cap members of the S&P/ASX 300 Index but excludes those in the S&P/ASX 100 Index. The index also assumes dividends are reinvested and measures both growth and dividend income.

The Australasian Growth Fund does not charge a performance fee.

## Authorised investments\*\*

The Australasian Growth Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Derivatives such as contracts for difference, equity options and futures
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*\*Subject to applicable laws and our Governing Document. If we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

## 2

# Schedule: Emerging Companies Fund Investment Objective and Strategy (CLOSED)

## Investment objective and strategy

The Emerging Companies Fund seeks to provide investors with long term capital growth by investing predominantly in a concentrated portfolio of hand-picked Australasian Emerging Companies, where Pie Funds considers value is greatest and the opportunity of earnings growth is high.

The Fund will typically not hold more than 50 equity positions at any one time\*. No equity position will exceed 20% of the Fund at any time.

During periods of uncertainty, the Emerging Companies Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in financial products such as other types of equities and unlisted equities.

*\*The Fund follows a concentrated, high-conviction strategy. During periods of uncertainty, the portfolio manager may increase the number of holdings to serve clients' interests. Uncertainty can often mean a buyer's market – but not always, which is why the portfolio manager can also raise cash levels as set out above. Increasing the number of positions during periods of uncertainty means the portfolio manager has more flexibility to use cash to fund opportunities, rather than having to sell existing holdings at likely unattractive prices. The Manager will disclose to investors when this contingency measure is in action, in the first available quarterly fund update.*

## Minimum recommended investment timeframe

Five years. **Please note, this fund is CLOSED.**

## Market index

We do not formally benchmark the Emerging Companies Fund's performance, nor do we have benchmark asset allocation or ranges for the Emerging Companies Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P/ASX Emerging Companies Index (Total Return) (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because this index represents the performance of companies ranked outside the S&P/ASX 300 by capitalisation. The index provides investors with a tool to effectively analyse characteristics of the microcap segment of the market. The index assumes the dividends are reinvested and measures both growth and dividend income.

The Emerging Companies Fund does not charge a performance fee.

## Authorised investments\*\*

The Emerging Companies Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Derivatives such as contracts for difference, equity options and futures
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*\*Subject to applicable laws and our Governing Document. If we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 3

## Schedule: Australasian Growth 2 Fund Investment Objective and Strategy

### Investment objective and strategy

The Australasian Growth 2 Fund seeks to provide investors with long term capital growth by investing predominantly in a concentrated portfolio of hand-picked listed Australasian Smaller Companies and Medium Companies, where Pie Funds considers value is greatest and the opportunity of earnings growth is high.

The Fund will typically not hold more than 40 equity positions at any one time\*. No equity position will exceed 20% of the Fund at any time.

During periods of uncertainty, the Australasian Growth 2 Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and to help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in financial products such as Large Companies and unlisted equities.

*\*The Fund follows a concentrated, high-conviction strategy. During periods of uncertainty, the portfolio manager may increase the number of holdings to serve clients' interests. Uncertainty can often mean a buyer's market – but not always, which is why the portfolio manager can also raise cash levels as set out above. Increasing the number of positions during periods of uncertainty means the portfolio manager has more flexibility to use cash to fund opportunities, rather than having to sell existing holdings at likely unattractive prices. The Manager will disclose to investors when this contingency measure is in action, in the first available quarterly fund update.*

### Minimum recommended investment timeframe

Five years.

### Market index

We do not formally benchmark the Australasian Growth 2 Fund's performance, nor do we have benchmark asset allocation or ranges for the Australasian Growth 2 Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P/ASX Mid Cap 50 & Small Ordinaries Daily 50/50 Blend Total Return Index (75% hedged to NZD) as a market index for the fund. The blended index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because the combination of indices represents the blend of Australasian Smaller Companies and Medium Companies in the fund. The index also assumes dividends are reinvested and measures both growth and dividend income.

The Australasian Growth 2 Fund does not charge a performance fee.

### Authorised investments\*\*

The Australasian Growth 2 Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- ETFs
- Derivatives such as contracts for difference, equity options and futures
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*\*Subject to applicable laws and our Governing Document. If we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 4

## Schedule: Dividend Growth Fund Investment Objective and Strategy (CLOSED)

### Investment objective and strategy

The Dividend Growth Fund seeks to provide investors with a regular distribution payment stream or reinvestment and long term capital growth. The Dividend Growth Fund does this by investing predominantly in a concentrated portfolio of hand-picked Australasian Smaller and Medium Companies that pay a dividend or produce cash-flow available for future distributions and whose earnings growth potential we do not consider fully realised by the market.

The Fund will typically not hold more than 35 equity positions at any one time\*. No equity position will exceed 20% of the Fund at any one time.

During periods of uncertainty, the Dividend Growth Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in financial products such as unlisted equities and Large Companies.

*\*The Fund follows a concentrated, high-conviction strategy. During periods of uncertainty, the portfolio manager may increase the number of holdings to serve clients' interests. Uncertainty can often mean a buyer's market – but not always, which is why the portfolio manager can also raise cash levels as set out above. Increasing the number of positions during periods of uncertainty means the portfolio manager has more flexibility to use cash to fund opportunities, rather than having to sell existing holdings at likely unattractive prices. The Manager will disclose to investors when this contingency measure is in action, in the first available quarterly fund update.*

### Minimum recommended investment timeframe

Five years. **Please note, this fund is CLOSED.**

### Market index

We do not formally benchmark the Dividend Growth Fund's performance, nor do we have benchmark asset allocation or ranges for the Dividend Growth Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because the index represents the small cap members of the S&P/ASX 300 Index but excludes those in the S&P/ASX 100 Index. The index also assumes dividends are reinvested and measures both growth and dividend income.

The Dividend Growth Fund does not charge a performance fee.

### Authorised investments\*\*

The Dividend Growth Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Derivatives such as contracts for difference, equity options and futures
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*\*Subject to applicable laws and our Governing Document. If we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 5

## Schedule: Global Growth Fund Investment Objective and Strategy

---

### Investment objective and strategy

The Global Growth Fund seeks to provide investors with long term capital growth by investing predominantly in listed Smaller Companies globally.

No equity position will exceed 20% of the Fund at any time.

During periods of uncertainty, the Global Growth Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and help to preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in managed funds and may invest in ETFs, unlisted equities, companies that are not Smaller Companies and in Other Pie Funds Products. Direct investments are subject to the same standards as those applied to the Other Pie Funds Products.

### Minimum recommended investment timeframe

Five years.

### Market index

We do not formally benchmark the Global Growth Fund's performance, nor do we have benchmark asset allocation or ranges for the Global Growth Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P Global SmallCap (Total Return) Index (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because this index comprises the stocks representing the lowest 15% of float adjusted market cap in each developed and emerging country. The index broadly reflects the asset class of the fund's ultimate investments. The index assumes dividends are reinvested and measures both growth and dividend income.

The Fund does not charge a performance fee.

### Authorised investments\*

The Global Growth Fund can invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Other Pie Funds Products
- Pooled investments
- Managed funds
- ETFs
- Derivatives such as contracts for difference, equity options and futures
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*Subject to applicable laws and our Governing Document. If we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 6 Schedule: Global Growth 2 Fund Investment Objective and Strategy

---

## Investment objective and strategy

The Global Growth 2 Fund seeks to provide investors with long term capital growth by investing in large companies globally, directly and through ETFs.

No equity position will exceed 20% of the Fund at any time.

During periods of uncertainty, the Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and help to preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

## Minimum recommended investment timeframe

Five years.

## Market index

We do not formally benchmark the Global Growth 2 Fund's performance, nor do we have benchmark asset allocation or ranges for the Global Growth 2 Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because this index captures large and mid-cap representation across approximately 50 countries in Developed and Emerging Markets. The index assumes dividends are reinvested and measures both growth and dividend income.

The Global Growth 2 Fund does not charge a performance fee.

## Authorised investments\*

The Global Growth 2 Fund can invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Other Pie Funds Products
- ETFs
- Derivatives such as contracts for difference, equity options and futures
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 7 Schedule: Growth UK & Europe Fund Investment Objective and Strategy

## Investment objective and strategy

The Growth UK & Europe Fund seeks to provide investors with long term capital growth by investing predominantly in a concentrated portfolio of hand-picked listed UK and European Smaller Companies, where Pie Funds considers the value is greatest and the opportunity of earnings growth is high.

The Fund will typically not hold more than 35 equity positions at any one time\*. No equity position will exceed 20% of the Fund at any one time.

During periods of uncertainty, the Growth UK & Europe Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and to help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest in financial products such as unlisted equities.

*\*The Fund follows a concentrated, high-conviction strategy. During periods of uncertainty, the portfolio manager may increase the number of holdings to serve clients' interests. Uncertainty can often mean a buyer's market – but not always, which is why the portfolio manager can also raise cash levels as set out above. Increasing the number of positions during periods of uncertainty means the portfolio manager has more flexibility to use cash to fund opportunities, rather than having to sell existing holdings at likely unattractive prices. The Manager will disclose to investors when this contingency measure is in action, in the first available quarterly fund update.*

## Minimum recommended investment timeframe

Five years.

## Market index

We do not formally benchmark the Growth UK & Europe Fund's performance, nor do we have benchmark asset allocation or ranges for the Growth UK & Europe Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference the S&P Europe Small Cap Gross Total Return Index (75% hedged to NZD) as a market index for the fund. The index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because this index is designed to measure small-cap constituents of the S&P Europe BMI across the Developed Market countries in Europe. The index assumes dividends are reinvested and measures both growth and dividend income.

The Growth UK & Europe Fund does not charge a performance fee.

## Authorised investments\*\*

The Growth UK & Europe Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- ETFs
- Derivatives such as contracts for difference, equity options and futures
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 8 Schedule: Conservative Fund Investment Objective and Strategy

## Investment objective and strategy

The Conservative Fund seeks to preserve investors' capital, with some capital growth, which outperforms the market index. The Fund is a diversified fund investing primarily in fixed interest securities and some cash, with an allocation to equities either directly or through Other Pie Funds Products.

It may also invest in the authorised investments as set out below:

## Minimum recommended investment timeframe

Three years.

## Benchmark

Asset class	Market index	Target asset allocation	Min	Max
Cash and cash equivalents (includes term deposits)	NZBond Bank Bill Index (NZD)	25%	0%	100%
New Zealand Fixed Interest	Bloomberg NZBond Credit 0+ Yr Index (NZD)	15%	0%	100%
International Fixed Interest	Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD)	35%	0%	100%
Australasian Equities	S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD)	6%	0%	25%*
International Equities	S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)	19%	0%	25%*

\*Maximum of 35% in total for Australasian Equities and International Equities.

## Authorised investments\*\*

The Conservative Fund can directly invest in any of:

- Cash and cash equivalents
- Equities
- New Zealand Fixed Interest
- International Fixed Interest
- Listed Property (Australasian and International)
- Derivatives such as contracts for difference, credit default swaps, interest rate swaps, options and futures

- Other Pie Funds Products
- Pooled investments
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

\*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.

# 9

## Schedule: Fixed Income Fund Investment Objective and Strategy

### Investment objective and strategy

The Fixed Income Fund seeks to preserve investors' capital and generate returns which exceed the market index over the minimum recommended investment timeframe. The Fund invests primarily in New Zealand and International Fixed Interest. It may also allocate to cash.

It may also invest in the authorised investments as set out below:

### Minimum recommended investment timeframe

Three years.

### Benchmark

Asset class	Market index	Target asset allocation	Min	Max
<b>New Zealand Fixed Interest</b>	Bloomberg NZBond Credit 0+ Yr Index (NZD)	25%	0%	100%
<b>International Fixed Interest</b>	Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD)	60% } 75% } 15% }	0%	100%
	Bloomberg Australian Aggregate 100mn: Corporate (100% hedged to NZD)			
<b>Cash and cash equivalents</b>	NZBond Bank Bill Index (NZD)	0%	0%	100%

### Authorised investments\*

The Fixed Income Fund can directly invest in any of:

- Cash and cash equivalents
- New Zealand Fixed Interest
- International Fixed Interest
- Derivatives such as contracts for difference, credit default swaps, interest rate swaps, options and futures
- Other Pie Funds Products

- Pooled investments
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 10 Schedule: Property & Infrastructure Fund Investment Objective and Strategy

## Investment objective and strategy

The Property and Infrastructure Fund seeks to provide investors with long term capital growth by investing predominantly in Listed Property and Infrastructure Securities.

It may also invest in the authorised investments as set out below:

## Minimum recommended investment timeframe

Seven years.

## Benchmark

Asset class	Market index	Target asset allocation	Min	Max
Infrastructure Securities – International Equities	S&P Global Infrastructure Fund Net Total Return Index (100% hedged to NZD)	60%	0%	100%
Infrastructure Securities – Australasian Equities	S&P Global Infrastructure Fund Net Total Return Index (100% hedged to NZD)	10%	0%	100%
Listed Property	S&P Global REIT Total Return Index (100% hedged to NZD)	30%	0%	50%
Cash and cash equivalents	NZBond Bank Bill Index (NZD)	0%	0%	100%

## Authorised investments\*

The Property and Infrastructure Fund can directly invest in any of:

- Cash and cash equivalents
- Australasian equities
- International equities
- Listed Property (Australasian and International)
- Infrastructure Securities
- Derivatives such as contracts for difference, equity options and futures

- Other Pie Funds Products
- Pooled investments
- Managed funds
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor

*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*

# 11

## Schedule: Chairman's Fund Investment Objective and Strategy

### Investment objective and strategy

The Chairman's Fund seeks to provide investors with long term capital growth by accessing the higher potential growth of predominantly Smaller Companies. It does this by investing predominantly in Other Pie Funds Products.

No investment in a single Other Pie Funds Product may exceed 50% of the assets of the Fund at any one time.

During periods of uncertainty, the Chairman's Fund can increase its cash position up to 100% of the portfolio to reduce downside volatility and to help preserve investor capital. We actively manage the cash levels in the Fund and may increase cash levels in adverse market conditions, however it is not our intention or expectation that we would increase the cash levels of the Fund to 100%.

The Fund may also invest directly in Smaller Companies.

### Minimum recommended investment timeframe

Five years. **Please note** investment in the Chairman's Fund is by invitation only.

### Market index

We do not formally benchmark the Chairman's Fund's performance, nor do we have benchmark asset allocation or ranges for the Chairman's Fund against which we monitor and rebalance actual asset allocations.

Nevertheless, we reference a 50:50 blend of two indices, the S&P Global SmallCap Total Return Index (75% hedged to NZD) and the S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD) as the market index for the fund. The blended index is an appropriate comparator for the holdings, risk level and performance of the fund. This is because the combination of indices represents the blend of Australasian and international companies in the fund.

The S&P/ASX Small Ordinaries Total Return Index (NZD) represents the small cap members of the S&P/ASX 300 Index but excludes those in the S&P/ASX 100 Index. The index assumes the dividends are reinvested and so measures both growth and dividend income.

The S&P Global SmallCap Total Return Index (NZD) comprises stocks representing the lowest 15% of float-adjusted market cap in each developed and emerging country and is considered an appropriate index for the international stocks in the Chairman's Fund. The index assumes dividends are reinvested and measures both growth and dividend income.

The Fund does not charge a performance fee, but it may invest in the Other Pie Funds Products which may invest in external fund managers with performance fees.

### Authorised investments\*

The Chairman's Fund can directly invest in any of:

- Equities
- Cash and cash equivalents
- NZ Fixed Interest
- International Fixed Interest
- Other Pie Funds Products
- ETFs
- Any other investment not excluded by our Responsible Investment Policy and permitted by the Supervisor
- The Chairman's Fund may get indirect exposure to derivatives (such as contracts for difference, equity options and futures) through investment in underlying Other Pie Funds Products.

*\*Subject to applicable laws and our Governing Document, if we believe it is in the best interests of our unit holders, we may vary the authorised investments including to exclude an investment or to add an investment.*