



Climate Statements

For the period 1 April 2023 – 31 March 2024

Issued by Pie Funds Management Limited



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Climate Statements

Dear Investors,

The Directors are pleased to share with you Pie Funds Management Limited's Climate Statements, our first mandatory climate reporting, for the year ended 31 March 2024.

These climate statements comply with the requirements of the Aotearoa New Zealand Climate Standards ('NZ CS') issued by the External Reporting Board and are our first disclosures under these new Standards. In line with the NZ CS, the disclosures are divided into four sections: Governance, Strategy, Risk Management, and Metrics and Targets. Further information on the basis of preparation of these statements including our Statement of Compliance are outlined in the introduction on pages 4 - 9.

Although Pie Funds is relatively early in its journey of embedding climate risks and opportunities into its decision-making processes, the Board recognises the critical importance of addressing climate change and its implications for our business, stakeholders, and the broader community.

The preparation of the FY24 climate disclosures represents significant progress by us in our journey of understanding and managing climate related risks and opportunities and integrating them into our risk management processes. Whilst there is more work to be done, the process of preparing these climate statements has been incredibly invaluable.

We invite you to review our climate statements and welcome any feedback or questions you may have.

Thank you for your continued support.

For and on behalf of the Board

Matt Blackwell

Chair

29 July 2024

Ana-Marie Lockyer

Chief Executive Officer

29 July 2024

1. Introduction

▶ 1. INTRODUCTION

1.1 Executive summary

Why are we required to prepare this document?

Pie Funds Management Limited (**'Pie Funds', 'we', 'us'**), as a "large manager"¹ of two managed investment schemes that are registered on the register of managed investment schemes, is a climate reporting entity (**'CRE'**) and is therefore required to prepare this document in accordance with Part 7A of the Financial Markets Conduct Act 2013 (**'FMCA'**). This document is intended for Pie Funds' primary users (who are the investors that invest in the funds that sit in the managed investment schemes it manages).

What timeframe applies to this document?

This document is for the 12-month period from 1 April 2023 to 31 March 2024 (**'Reporting Period'**).

What are the key aspects of this document?

| SECTION | DESCRIPTION |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ▶ 1. Governance | The board of Pie Funds Management Limited ('Board') is the governance body responsible for overseeing climate-related risks and opportunities. The Board delegates responsibility for assessing and managing climate-related risks and opportunities to the Responsible Investment Committee ('RIC'), which in turn receives reporting about assessing and managing climate-related risks and opportunities from Pie Funds' Investment Team. Management of environmental, social and governance ('ESG') related risk within the funds managed by Pie Funds, of which climate is one part, is delegated to the Investment Committee ('IC'), alongside management of investment risk as a whole. Certain IC members have been involved in the "Core Climate Stakeholder Group" from January 2024 and includes climate as part of its regular reporting to the Board. Day-to-day integration of ESG considerations, including climate, is the responsibility of Pie Funds' portfolio managers. |
| ▶ 2. Strategy | Pie Funds is an active investment manager of 14 funds (within 2 managed investment schemes), with a long-term outlook. Pie Funds assesses a company as a potential asset for one of its funds to invest in ('Investee') with a focus on long-term viability and growth potential. Since July 2023 this assessment included an ESG scoring methodology (which is set out in Pie Funds' Responsible Investment Policy ('RI Policy')). Despite the Reporting Period including significant flooding in different regions of New Zealand, the most destructive wildfire season ever recorded in Canada, adversely affecting large parts of North America, as well as deadly fires in Maui and Europe, there have not been any identifiable impacts to the investment portfolios of funds managed by Pie Funds. Pie Funds carried out scenario analysis using three scenarios - a 1.5 degrees Celsius scenario, a 2.4 degrees Celsius scenario, and a more than 3 degrees Celsius scenario - and used the process to identify climate-related risks and opportunities, and the anticipated impacts of |

¹ A "large manager" is a manager that holds a market services licence that allows it to act as a manager of a Registered Scheme and, as at the balance date of each of that manager's 2 preceding accounting periods, the total assets of all the Registered Schemes for which it is manager, exceeds \$1 billion.

those risks/opportunities, for the funds Pie Funds manages (which are set out generally in section 3 and at the fund level in section 6 of this document). As Pie Funds is early in its journey of considering climate-related data and metrics, Pie Funds is not ready to start a transition plan but is committed to educating and increasing the collective knowledge base of the Board, Investment Team and wider organisation.

▶ 3. Risk Management

Risk management is an integral part of the day-to-day management of Pie Funds. There is an overarching risk management framework ('**Risk Management Framework**') and risk register supported by a suite of policies and procedures appropriate for Pie Funds. Climate-related risks are determined at the fund level rather than the fund manager level and have been identified by using third party data, cross-referencing to third party industry reports, scenario analysis, and a qualitative review by Pie Funds' Investment Team. Pie Funds will formally review climate-related risks annually and where appropriate carry out the process of scenario analysis prior to the annual completion of each set of Climate Statements. It is intended that by the end of September 2024, climate-related risks, including both transition and physical risks, will be incorporated into Pie Funds' existing Investment Policy and Procedure document, which is referred to in the Risk Management Framework. Pie Funds' risk register (which includes climate-related risks) is considered by the Risk and Compliance Committee and Investment Committee quarterly, with any high or extreme risks being escalated to the Board quarterly. Pie Funds considers climate-related risks in the same way as other risks.

▶ 4. Metrics and Targets

New Zealand law requires certain metrics to be disclosed at the fund level and it is necessary to explain the underlying methodology in order to understand what these metrics mean. These metrics and the methodology can be found in section 5 of this document. Pie Funds is at the beginning of its climate related risk and opportunity management and disclosure journey. At this stage Pie Funds' targets are focused on further upskilling, and integration and embedding of climate-related risk management alongside other investment risks.

▶ 5. Fund Summaries

To enable primary users to quickly find fund specific information, Pie Funds has summarised specific information for each fund in a summary. This information includes the fund's name, investment strategy, asset allocation, climate-related risks and opportunities and specific metrics (i.e. greenhouse gas emissions).

Why as an investor in funds managed by Pie Funds Management Limited would you want to read this document?

To enable you, as a primary user, to assess the merits of how Pie Funds is considering the climate-related risks and opportunities for the funds it manages and makes business decisions based on these assessments (i.e. in relation to its investment process).

1.2 Purpose and scope

Pie Funds holds a market services licence that allows it to act as manager of managed investment schemes that are registered on the register of managed investment schemes (**'Registered Schemes'**). Pie Funds is currently the manager of two Registered Schemes:

1. Pie Funds Management Scheme; and
2. Pie KiwiSaver Scheme,

(each a **'Scheme'** and together the **'Schemes'**).

The funds that sit within each Scheme are set out below (each a **'Fund'** and together the **'Funds'**):

Pie KiwiSaver Scheme

- Pie KiwiSaver Conservative Fund;
- Pie KiwiSaver Balanced Fund; and
- Pie KiwiSaver Growth Fund.

Pie Funds Management Scheme

- Pie Australasian Growth Fund;
- Pie Australasian Growth 2 Fund;
- Pie Australasian Dividend Growth Fund;
- Pie Australasian Emerging Companies Fund (closed to new investors);
- Pie Global Growth Fund;
- Pie Global Growth 2 Fund;
- Pie Growth UK & Europe Fund;
- Pie Conservative Fund;
- Pie Chairman's Fund;
- Pie Fixed Income Fund; and
- Pie Property & Infrastructure Fund.

Pie Funds, as a "large manager" of the Schemes, is a CRE and is therefore required to prepare these climate statements (**'Climate Statements'**) and lodge them with the Registrar of Financial Service Providers (**'Registrar'**) in accordance with part 7A of the FMCA. The Financial Markets Authority (**'FMA'**) and the Supervisor of each Scheme will supervise Pie Funds in its role as manager of the Schemes. This document is intended for Pie Funds' primary users (which are the investors who invest in the Funds). Additional information about Pie Funds Management Limited can be found at www.piefunds.co.nz.

Section 461ZC of the FMCA requires that the climate statements Pie Funds prepares must:

- a) comply with the climate-related disclosure framework (which is made up of those climate standards issued by the External Reporting Board (**'XRB'**) from time to time);
- b) be completed in relation to each separate fund of a scheme; and
- c) be dated and signed on behalf of the manager by two directors of the manager.

To satisfy the above requirements:

- these Climate Statements have been prepared in accordance with the climate standards issued by the XRB as at the date these Climate Statements are lodged, which include the Aotearoa New Zealand Climate Standards 1 (**'NZ CS 1'**), 2 (**'NZ CS 2'**) and 3 (**'NZ CS 3'**);
- as there is a lot of common information across the Funds and Schemes, paragraph 20 of NZ CS 3 allows common information to be presented at the scheme level, and section 461ZE permits scheme and fund climate statements to be combined documents. Pie Funds has included the information for both Schemes and all the Funds in this one document; and
- these Climate Statements have been signed by two directors of Pie Funds.

NZ CS 1, 2 and 3 provide a consistent framework for CREs to consider and disclose information on their climate-related risks and opportunities with the objective of enabling the users of these Climate Statements to assess and make decisions on how Pie Funds is responding to the risks and opportunities of climate change in relation to each Scheme and Fund.

1.3 Structure of this document

These Climate Statements have four key sections:

1. Governance;
2. Strategy;
3. Risk Management; and
4. Targets and Metrics.

These sections align with the content requirements in NZ CS 1.

Much of the information disclosed in these Climate Statements is common across all Funds in the Schemes, including all of the Governance and Risk Management sections and most of the Strategy and Metrics & Targets sections. Most of the information specific to each Fund can be found in the fund summaries in section 6 (Fund Summaries) of these Climate Statements. In all instances we have indicated where information is the same or different and for what Funds/Schemes.

Due to geographical focus and/or difference in investment strategy between the Funds, the Funds can be separated into three groups, as set out below. These terms are used throughout this document when indicating similarities within these groups of Funds or identifying differences between these three groups of Funds.

1. **'Australasian Growth Funds'** refers to the following Funds:
 - a. Pie Australasian Growth Fund;
 - b. Pie Australasian Emerging Companies Fund;
 - c. Pie Australasian Growth 2 Fund; and
 - d. Pie Australasian Dividend Growth Fund.

2. **'Global Growth Funds'** refers to the following Funds:
 - a. Pie Global Growth Fund;
 - b. Pie Global Growth 2 Fund; and
 - c. Pie Growth UK & Europe Fund.

3. **'Diversified Funds'** refers to the following Funds:
 - a. Pie Conservative Fund;
 - b. Pie Fixed Income Fund;
 - c. Pie Property & Infrastructure Fund;
 - d. Pie KiwiSaver Conservative Fund;
 - e. Pie KiwiSaver Balanced Fund; and
 - f. Pie KiwiSaver Growth Fund.

1.4 Reporting period

These Climate Statements are for the 12-month period from 1 April 2023 to 31 March 2024.

1.5 Use of third-party providers

To meet the requirements of NZ CS 1, 2 and 3, managers of Registered Schemes will require data relating to the investments within each of the Funds in their Schemes. For Pie Funds, managing global diversified portfolios with a focussed investment team, the only source of certain types of investment data relevant to climate reporting is from external data providers, noting that data coverage and quality is still an evolving issue, irrespective of external data provider (see section 6.2.6 (Data quality, access and use) of these Climate Statements).

With the requirements of NZ CS1, 2 and 3 in mind, Pie Funds conducted a due diligence process in 2023 in relation to ESG data provision to support our climate reporting and investment process. Five parties were invited to join the tender process and based on a number of factors, including coverage rate for Pie Fund Schemes' existing investments and features supporting climate reporting, Morgan Stanley Capital Investors MSCI ESG Research LLC ('MSCI') was selected. MSCI measures and models environmental, social and governance (ESG) risk to provide critical insights that can help understand how ESG can impact the long-term risk and return profile of an investment. With over 200 multi-disciplinary research professionals they have significant market expertise in the area of climate analytics and reporting.²

1.6 Disclaimers

Pie Funds is required to produce climate statements under the FMCA that comply with the Aotearoa NZ Climate Standards for the Reporting Period. Pie Funds has used its best efforts in the preparation of these Climate Statements to provide accurate information as at the date this document was lodged with the Registrar, but it cautions reliance being placed on representations that are subject to significant risks, uncertainties or assumptions. Pie Funds relies on information and emissions data from third party providers that may not be complete or accurate given these providers are also evolving their approach to understanding and reporting on climate-related risks and opportunities. Climate change is an evolving challenge, with high levels of uncertainty, particularly over long-term horizons, given climate is dynamic, involves feedback loops, interdependencies, and tipping points. Descriptions of the current and anticipated impacts of climate change draw on and/or represent estimated figures only. These Climate Statements contain forward looking statements and opinions about Pie Funds, Investees and the environment in which Pie Funds operates, including climate related metrics, climate scenarios, targets, estimated climate projections, and statements of Pie Funds' future intentions. It also contains forward looking statements regarding Pie Funds' business operations, market conditions, sustainability objectives and risk management practices. These statements involve assumptions, forecasts and projections about Pie Funds' present and future strategies and the environment in which Pie Funds will operate in the future, which are inherently uncertain and subject to contingencies outside of Pie Funds' control and limitations. These statements are therefore based on reasonable information we know at the date of publication, and we do not represent that these statements will remain correct after publishing this document or promise to revise or update those statements if events or circumstances change or unanticipated events happen after publishing this document. The risks and opportunities described in these Climate Statements, and our strategies to achieve our targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Pie Funds' actual results, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, climatic, consumer, government, and market factors outside of Pie Funds' control. We caution reliance on climate-related forward-looking statements that are less reliable than other statements Pie Funds may make in its annual reporting. Pie Funds gives no representation, warranty or assurance that actual outcomes or performance will not materially differ from the forward-looking statements. Pie Funds does not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in these Climate Statements, whether in respect of Pie Funds and/or Investees. This disclaimer should be read along with the limitations on pages 46-48. These Climate Statements are not an offer document and do not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. Nothing in these Climate Statements should be interpreted as capital growth, earnings or any other legal, financial tax or other

² Source: https://www.msci.com/documents/1296102/34522823/MSCI_Company_Brochure.pdf

advice or guidance. For detailed information on our financial performance, please refer to our annual report, available at www.piefunds.co.nz.

1.7 Statement of compliance

The climate-related disclosures found in these Climate Statements comply with the Aotearoa New Zealand Climate Standards issued by the XRB. They include all material disclosures in relation to all of the Funds in the Schemes. In preparing its climate-related disclosures for the Funds in the Schemes, Pie Funds has elected to use the following adoption provisions:

| | |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adoption provision 1 | Current financial impacts. This adoption provision exempts the disclosure of financial impacts of the physical and transition impacts identified by Pie Funds. |
| Adoption provision 2 | Anticipated financial impacts. This adoption provision exempts the disclosure of anticipated financial impacts of climate-related risks and opportunities reasonably expected by Pie Funds. |
| Adoption provision 3 | Transition planning. This adoption provision exempts the disclosure of Pie Funds' transition plan, and the extent to which transition plan aspects of its strategy are aligned with its capital deployment and funds decision making processes. |
| Adoption provision 4 | Scope 3 Greenhouse Gas ('GHG') emissions. This adoption provision exempts the disclosure of scope 3 GHG emissions. |
| Adoption provision 5 | Comparatives for scope 3 GHG emissions. This adoption provision exempts the disclosure of comparative information for scope 3 GHG emissions for the immediately preceding two reporting periods. |
| Adoption provision 6 | Comparatives for metrics. This adoption provision exempts the disclosure of comparative information for each metric disclosed for the immediately preceding two reporting periods. |
| Adoption provision 7 | Analysis of trends. This adoption provision exempts the disclosure of the main trends evident from a comparison of each metric for previous reporting periods to the current reporting period. |

2. Governance

▶ 2. GOVERNANCE

2.1 Identity of Governance body (paragraph 7(a) of NZ CS 1)

The Board is the governance body responsible for overseeing climate-related risks and opportunities.

The Board delegates management responsibility for assessing and managing climate-related risks and opportunities to the RIC, which in turn receives reporting about assessing and managing climate-related risks and opportunities from Pie's Investment Team. The RIC was established in March 2023. Since August 2023, reporting to the RIC includes matters pertaining to assessing and managing climate-related risks and opportunities as described below in the form of a quarterly dashboard with ratings for each investee company. The IC oversees on behalf of the Board, the philosophy, policies, strategy, implementation, performance, conduct, compliance and risk of the Funds.

The first Climate Related Disclosure Work Streams ('**CRDWS**') were established in 2022 to ensure that Pie Funds was prepared and able to achieve its first-year climate-related disclosures requirements under the Aotearoa New Zealand Climate Standards being developed by the XRB and to more generally consider the assessment and management of climate-related risks and opportunities by Pie Funds and provide updates on progress to the RIC. The CRDWS comprises key individuals that bring subject matter expertise from across the business. Collectively the CRDWS captured key information and insights that helped form the basis of the climate-related disclosures in these Climate Statements.

2023 involved significant learning and upskilling, including tracking the development of the final NZ CS 1, NZ CS 2 and NZ CS 3, and sector-related work and guidance. A second core CRDWS was created in early 2024, referred to in section 3.3. (Scenario Analysis) of these Climate Statements, as the "Core Climate Stakeholder Group", which included two executive Board members and senior members of the Investment Team. This Core Climate Stakeholder Group was involved in a workshop series between January and April 2024 ('**Climate Workshop Series**') focusing on content relevant primarily to section 3 (Strategy), section 5 (Metrics and Targets) and section 6 (Fund Summaries) of these Climate Statements.

2.2 Governance body oversight (paragraph 7(b) of NZ CS 1)

2.2.1 Processes and frequency by which the governance body is informed about climate-related risks and opportunities (paragraph 8(a) of NZ CS 1)

The Board meets at least quarterly where it reviews detailed management reports, including reports from the RIC meetings. During this Reporting Period the Board began to receive updates in relation to compliance with the RI Policy. The RIC receives updates on compliance with the RI Policy at its meetings. The RI Policy is available on Pie Funds' website.

The RIC receives updates on Investee environmental, social and governance ('**ESG**') scores and monitoring of those ESG scores. Pie Funds uses ESG scores from MSCI where available, and where not available, has developed its own ESG Scoring methodology as described in section 5.2 (Industry Metrics) of these Climate Statements. Part of the 'environmental' element of the ESG score relates to climate.

The RI Policy includes thresholds that are related to climate – such as guidelines for investment in companies involved in coal or other fossil fuel industries. Any Investees that are outside these thresholds are identified and the RIC may require that actions be taken.

Monitoring of compliance with the RI Policy started in August 2023. The RIC currently meets at least every two months and reports to the Board on a quarterly basis (and more frequently if it deems this necessary). The Board annually reviews Pie Funds' Risk Management Framework (which since 9 May 2024 included the identification, assessment and

management of climate-related risks) and associated risk tolerance levels to ensure it remains fit for purpose, with appropriate and effective risk management strategies in place.

2.2.2 How the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities (paragraph 8(b) of NZ CS 1)

The Board ensures appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities through the maintenance of a Board skills matrix. The Board skills matrix specifically includes ESG expertise and from August 2024 will require directors to include in their review their capability in understanding climate-related risks and opportunities.

Directors and senior managers are assessed as fit and proper on an annual basis and undertake regular training to ensure they have the appropriate skills and experience available. Training sessions for relevant roles relating to the identification, assessment and management of climate-related risk and opportunities have been and will be facilitated both internally and via the use of external consultants and training courses as well as third parties such as MSCI. This training aims to strengthen our understanding of the rapidly evolving demands, opportunities and challenges related to sustainability and climate change, organisational transition, and how the Board can support and guide the organisation in relation to identifying, assessing and managing its climate-related risks and opportunities. Part of the rationale for selecting MSCI as the third-party provider of ESG, climate and other exclusions data in 2023 is because they are a credible and well-respected organisation which enables Pie Funds to draw on their extensive teams of ESG analysts to provide research and climate-related investment data to support our investment process, and also supporting the information flow to the Board.

2.2.3 How the governance body considers climate-related risks and opportunities when developing and overseeing implementation of the entity's strategy (paragraph 8(c) of NZ CS 1)

The Board has delegated climate-related responsibilities to the RIC and certain management level positions. The RIC currently meets every two months and assesses the potential risks associated with climate change. This involves identifying how potential physical and transition risks arising from climate change might impact our Funds and our operations.

Since August 2023, the RIC has received reporting as mentioned in section 2.2 (Governance Body oversight) of the Climate Statements. Pie Funds' ESG Analyst undertakes quarterly monitoring activity, which includes the monitoring of all portfolio holdings by reference to an exclusions list, some of which have been added because of climate-related concerns, and research tools provided by MSCI, to ensure there is compliance with the RI Policy. Any emerging issues are reported to the RIC, which then reports such issues to the Board as it deems necessary, which can then be considered, if appropriate, in subsequent strategic decision making.

Pie Funds, in maintaining its risk register (for more information about the risk register please refer to section 4 (Risk Management) of these Climate Statements) identifies the relevant climate-related risks, which will be reviewed by the Board, and tolerance levels set, annually.

As part of its yearly planning cycle, management develops an annual Business Plan ('**Business Plan**'). The Business Plan is a succinct document outlining the key strategic priorities for the financial year ahead. The Board reviews and approves the Business Plan to ensure alignment with the overall business strategy. In doing so, the Board will consider the outcomes of key stakeholders when considering climate-related risks and opportunities. Progress against key milestones set in the Business Plan is reported on and reviewed at each Board meeting.

2.2.4 How the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities (paragraph 8(d) of NZ CS 1).

The Board monitors progress against, and oversees the achievement of, climate-related metrics and targets through regular reporting from the RIC.

Pie Funds has started to consider climate risk as part of its analysis within its investment process through its ESG scoring methodology. Pie Funds is committed to identifying, assessing and managing climate-related risks and opportunities in line with Pie Funds' overarching strategy.

ESG risks and opportunities have been considered as part of Pie Funds' role as investment manager of the Funds, specifically in relation to selection, sizing, management and exit of its direct investments in companies since inception of the policy in 2018. See section 5.2 (Industry Metrics) of these Climate Statements for a brief description of the incorporation of climate-related considerations in Pie Funds' ESG scoring methodology, where MSCI ESG scoring is not available.

2.3 Management's role (paragraph 7(c) of NZ CS 1)

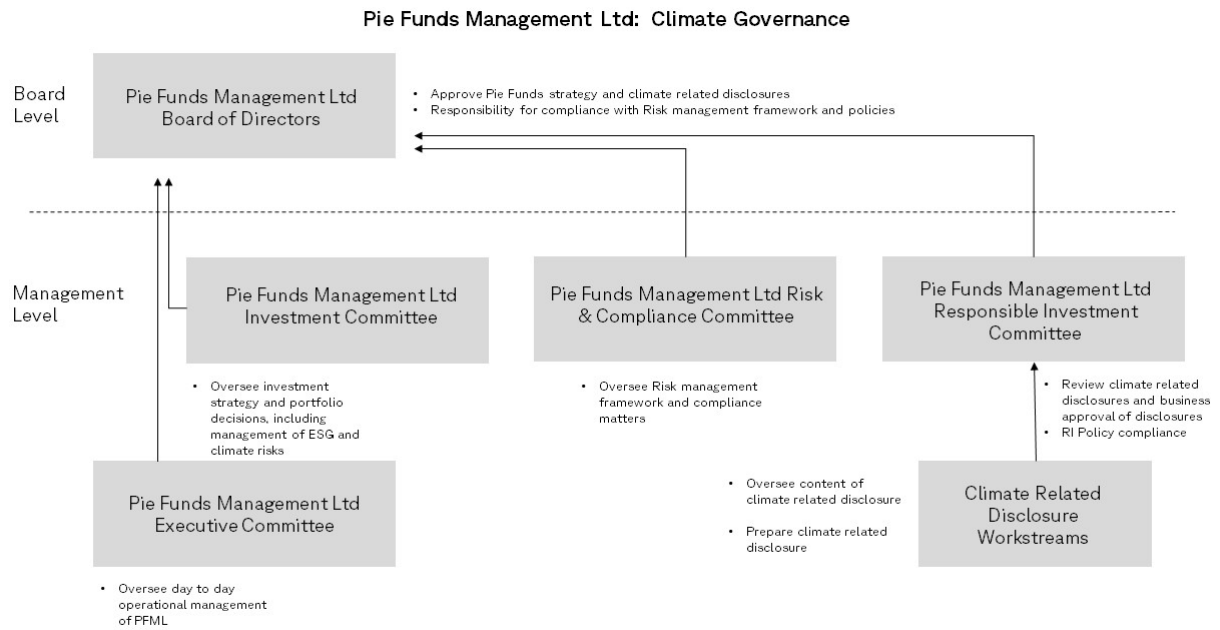
2.3.1 How climate-related responsibilities are assigned to management-level positions or committees, and the process and frequency by which management-level positions or committees engage with the governance body (paragraph 9(a) of NZ CS 1)

The Board has established certain management committees to assist it in carrying out its responsibilities and to consider certain matters in detail. Climate related responsibilities are delegated to the RIC as previously described, and certain management level positions, through the establishment of Pie Funds' Business Plan, the RI Policy and Responsible Investment Committee Charter. The annual business planning cycle includes a review of the organisational structure chart and governance fora, as well as the skills required to satisfy legal and regulatory obligations, which from this Reporting Period includes complying with NZ CS 1, 2 and 3. Management and Board appointed committees report to the Board at least quarterly on material matters, and more frequently when required.

Management of ESG related risk within the Funds, of which climate is one part, is delegated to the IC, alongside management of investment risk as a whole. Several IC members have been involved in the Core Climate Stakeholder Group described in section 3 (Strategy) of these Climate Statements from January 2024 and includes climate as part of its regular reporting to the Board. Day-to-day integration of ESG considerations, including climate, is the responsibility of Pie Funds' portfolio managers.

2.3.2 The related organisational structure(s) showing where these management-level positions and committees lie (paragraph 9(b) of NZ CS 1)

The diagram below shows, as at 31 March 2024, Pie Funds' organisational structure and identifies management level roles and committees. It also highlights how climate-related information flows through our governance structure.



2.3.3 The processes and frequency by which management is informed about, makes decisions on, and monitors, climate-related risks and opportunities (paragraph 9(c) of NZ CS 1)

The RIC is informed about climate-related risks and opportunities as part of the ESG Analyst's quarterly reports, as previously noted. Compliance with the RI Policy is also monitored, as previously noted.

Management has also been heavily involved in the internal processes necessary to prepare for the disclosures contained in these Climate Statements, with regular updates and involvement in core decisions. Although Pie Funds is early on its journey of embedding climate risks and opportunities into its decision-making processes, preparing for this Climate Statement has prompted consideration of processes moving forward and we expect that there will be further refinements to come as we embed climate risk and MSCI capabilities into internal processes.

3. Strategy

▶ 3. STRATEGY

3.1 Pie Funds' investment approach generally

Pie Funds is an active investment manager with a long-term outlook investing in line with its five investment pillars which include 'Skin in the game', 'Cut through the hype', 'Pick the tailwinds', 'Know the people' and 'Be ready for rain'. A description for each of these pillars can be found on the website (www.piefunds.co.nz/About-Us/Five-Pillars).

We are a well-integrated team and can react quickly to manage risk in our portfolios. The portfolios are constructed on a bottom-up basis, led by fundamental research on each Investee. We have broad sector limits for risk purposes, as per the Investment Policy and Procedures ('**IPP**'), but our process is not based on sector allocations. This means we can constantly reevaluate sector weightings through stock selection whilst remaining aligned with our investment strategies.

We assess a company as a potential asset for a Fund to invest into an Investee with a focus on long-term viability and growth potential, and since July 2023 this assessment has included using an ESG scoring methodology in our investment analysis. We use ESG scores from MSCI where available. If there is no MSCI ESG score for a company, we use an internal ESG scoring methodology (see section 5.2 (Industry-based metrics) of these Climate Statements) for further detail. The RI Policy sets certain parameters around investments in certain sectors, which includes guidelines in relation to investing in companies deriving revenue from fossil fuels.

3.2 Current climate-related impacts (paragraph 11(a) of NZ CS 1)

3.2.1 Current physical and transition impacts (paragraph 12(a) of NZ CS 1)

Pie Funds recognises that climate change and climate-related risks and opportunities are occurring on an ongoing basis around the world, and these include physical and transition impacts. Physical impacts arise from physical risks caused by climate change – these can be driven by an event ("**acute**") such as cyclones, floods or wildfires or longer-term shifts ("**chronic**") such as increases in temperature, changes in rainfall patterns and sea level rise. Transition impacts arise from the risks that come from the changes that will be required as the world adapts to and mitigates the effect of climate change. These risks may arise from policy, legal, technological, market and reputational changes.

As an example, in terms of physical impacts, the Reporting Period included significant flooding in different regions of New Zealand, the most destructive wildfire season ever recorded in Canada, adversely affecting large parts of North America, as well as deadly fires in Maui and Europe³. Potential transition impacts come with developments including major policy initiatives. One major policy initiative that continued to develop during the Reporting Period was the European Green Deal. This is a comprehensive package of policy initiatives relating to climate and broader environmental issues that will impact many areas of economic activity. The United States Inflation Reduction Act is another major continuing policy initiative that includes the reduction of carbon emissions as one of its aims and provides tax credits to encourage private investment in clean energy, transport, and manufacturing.

Despite these and other major climate-related events in the Reporting Period, there have not been any identifiable impacts to the investment portfolios of the Funds within the Schemes. As mentioned in section 4 (Risk Management) of these Climate Statements, Pie Funds monitors significant movement in value of an individual investment. As part of scenario analysis carried out in January 2024 (see section 3.3 (Scenario Analysis) of these Climate Statements for more information about the process), the Investment Team considered and assessed that there was no impact within the Funds that had an obvious connection to a physical or transition climate impact. However, it is also worth noting that Pie Funds' strategy to ensure diversification of investment risk should dilute the impact of a climate event from a single

³ Canada's record-breaking wildfires in 2023: A fiery wake-up call source <https://natural-resources.canada.ca/simply-science/canadas-record-breaking-wildfires-2023-fiery-wake-call/25303>

Investee in a portfolio and that even for a single Investee, it might not be possible to separate the impact of a climate-related event from another source of impact.

One noticeable feature of the Reporting Period has been that geopolitical conditions, the high inflationary environment and climate policy uncertainty has in some cases detracted from the attractiveness of sectors (such as the production of green energy) and this has limited appetite for investment in those areas. The impact of this has been to reduce the attractiveness of investment in certain parts of the renewables sector, particularly outside New Zealand.

3.2.2 Current financial impacts of its physical and transition impacts (paragraph 12(b) and (c) of NZ CS 1)

Pie Funds has elected to use adoption provision 1 (which exempts the disclosure of the financial impacts of the physical and transition impacts identified by Pie Funds previously).

3.3 Scenario Analysis (paragraph 11(b) of NZ CS 1)

3.3.1 Scenario analysis undertaken (paragraph 13 of NZ CS 1)

Climate-related scenario analysis is a new and challenging area. It can be used to help identify climate-related risks and opportunities and, in the case of Pie Funds as a fund manager, to also better understand the resilience of the investment strategy of each of its funds.

Pie Funds was an attendee at the Financial Services Council ('FSC') Climate Scenario Narratives Working Group advised by Ernst & Young ('EY') that produced the FSC EY Sector Report and recognises the value of sector-based scenario analysis work. In addition, Pie Funds onboarded MSCI to supply investment metrics to support it in delivering disclosure under NZ CS 1, 2 and 3 (as described previously under section 1.5 (Use of third-party providers) of these Climate Statements).

3.3.2 Scenario analysis process (paragraph 51(b)(i)-(iv) of NZ CS 3)

Pie Funds conducted a primarily qualitative scenario analysis process, supported by MSCI outputs (see "Use of MSCI" below), the FSC EY Sector Report, and taking into account recognised processes for scenario analysis, as referred to in XRB and FMA guidance⁴.

In addition to the CRDWS, Pie Funds convened a Core Climate Stakeholder group in January 2024 to learn about and engage in the scenario analysis process, climate strategy-related issues, and consider metrics and targets. The Core Climate Stakeholder group participated in a Climate Workshop Series to prepare for, conduct and consider the outputs of scenario analysis.

The Core Climate Stakeholder group included two executive Board members and senior members of the Investment Team, including an Investment Team representative for each of the Fund categories (Australasian, Global and Diversified). The choice to include executive Board members and senior members of the Investment Team in the Core Climate Stakeholder group supported integration and regular reporting through to the various governance committees and ultimately the Board.

Pie Funds conducted scenario analysis on a stand-alone basis without external consultants, focussing on the process as an internal upskilling opportunity. The scenario analysis was conducted on the basis of a broad overview of the full portfolio holdings of each Fund, using the current portfolio holdings for discussion purposes but noting that the portfolio composition will change in the future (see section 3.1 above, Pie Funds' investment approach). No internal modelling was undertaken.

⁴ "Staff Guidance Entity Scenario Development" published by XRB, September 2023. [4994 \(xrb.govt.nz\)](https://www.xrb.govt.nz/4994) and the "Information sheet: Climate-related Disclosures – Scenario analysis", dated 31 October 2023 <https://www.fma.govt.nz/assets/Guidance/Climate-Related-Disclosure-Scenario-analysis-information-sheet.pdf>.

Use of MSCI

As previously noted, Pie Funds conducted a primarily qualitative scenario analysis. The outputs that MSCI offers do include various climate value at risk (**'VaR'**) scores. MSCI considers certain transition-risk related VaR, as well as physical-risk related VaR. VaR is described by MSCI as a scenario analysis output but is a single quantitative number for each category of risk, produced as an output of the MSCI proprietary model based on the climate scenario selected by the user (in this case, Pie Funds). This purely quantitative scenario analysis method, which relies on a 'black-box' third party model is not the process anticipated by NZ CS 1 and NZ CS 3.

The Core Climate Stakeholder Group did nonetheless consider MSCI VaR outputs, given the extensive capabilities that MSCI brings. However, at this stage on Pie Funds' journey of assessing climate risk, there were questions around the usefulness and reliability of this information. As a result, MSCI VaR outputs were not used as answers, but instead as a starting point to identify climate-related risks and opportunities, and as a basis for qualitative consideration.

We also note that data availability and MSCI coverage varies between Funds within the Scheme(s) and is low for a number of Australasian Funds (see section 6 (Fund Summaries) of these Climate Statements for the limitations and methodology). The VaR scores have been disclosed as a metric for physical risk as described further in Section 6 (Fund Summaries) of these Climate Statements.

3.3.3 Climate related scenarios (paragraph 51(a)(i) of NZ CS 3)

NZ CS 1 requires Pie Funds to carry out scenario analysis using at least three scenarios including a 1.5 degrees Celsius climate-related scenario, a 3 degrees Celsius or greater climate-related scenario, and a third climate-related scenario. The three scenarios chosen by Pie Funds are summarised in Table A below:

| TABLE A – CLIMATE-RELATED SCENARIO OVERVIEW | | | |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Net Zero 2050 | Delayed Transition* | Nationally Determined Contributions ('NDCs')* |
| Highlight | Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO ₂ emissions around 2050. | Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed, but are fragmented and fail to limit warming to below 2 °C. | Moderate climate action based on pledged policies even if not yet implemented. Emissions decline too gradually to limit high over the physical risk long term. |
| Temperature trajectory | Below 1.5°C by 2100 | 2.4°C by 2100 | 3.5°C by 2100 |
| Policy reaction | Immediate and smooth. | Delayed until 2030. Rapid but uncoordinated policy action thereafter. | Based on current NDCs. Insufficient policy support to limit dangerous levels of GHG concentrations. |
| Technological change | Fast change | Slow change followed by fast change. | Slow change |
| Carbon Dioxide Removal | Medium-high use | Low-medium use | Low use |
| Reference Scenario | NGFS Phase III – Net Zero 2050 | NGFS Phase III – Delayed Transition* | NGFS Phase 3 – NDCs* |

**For both Delayed Transition and Nationally Determined Contributions scenarios an "aggressive" physical risk setting was chosen. This was chosen in order to reach the targeted temperature change of at least 2°C and 3°C respectively for the purposes of NZ CS 1.*

The climate scenario narratives are summarised below. These scenarios have been sourced from the Network for Greening the Financial System ('NGFS'). The NGFS climate scenarios explore a range of plausible outcomes. They provide a common and up-to-date reference point for understanding how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different futures. Each scenario was chosen to show a range of higher and lower risk outcomes. Please note that all references to temperature rise refer to the increase in global average mean surface temperatures since pre-industrial levels.

Scenario 1 – Net Zero 2050

Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO₂ emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately and after a short lag, progressive policies lead to a steep decline in global emissions. Swift societal behavioural shifts act alongside strong policy changes, and rapid technological development and deployment occur from the present day onwards.

Strong policies provide a stable backdrop and clear financial incentives to drive technological change. Ongoing R&D in renewable energy and emission-capturing technology is pivotal in facilitating the global transition to a low carbon economy. The global energy sector, particularly, witnesses widespread adoption of renewable energy sources and all major renewable technologies - solar, wind, nuclear, hydro, and geothermal sources – are used for a rapid energy transition. The shift towards electrification is evident in various sectors, exemplified by the increasing prevalence of electric vehicles ('EVs'). Carbon Dioxide Removal ('CDR') is used to accelerate decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production.

GHG concentrations in the atmosphere increase very gradually and the global temperature continues to rise, reaching +1.48°C in 2030 and further escalating to 1.55°C by 2050, before declining thereafter. Net CO₂ emissions will reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with no or low overshoot (< 0.1 °C) of 1.5 °C in earlier years.

There are negative physical environmental impacts of existing and moderately increasing GHG concentrations that impact global GDP adversely, though at lower levels than in higher emissions scenarios. Physical climate costs peak at a GDP loss of 1.09% in 2050, which declines to a loss of 0.63% in 2100. Transition risks are higher in the short term, peaking at a GDP loss of 1.32% in 2050, which declines to a loss of 0.48% by 2100.

Human quality of life continues to increase, and the global and European populations will reach 9.4bn and 644mn by 2050, respectively.

Scenario 2 – Delayed Transition Scenario (Aggressive)

In the Delayed Transition scenario, there are no coordinated policy measures or significant changes in societal behaviours or consumer preferences to support decarbonisation until around 2030. Governments prioritise economic agendas over environmental concerns, mainly because voter preferences are typically more focused on the economy than the environment. However, the increased frequency of extreme weather patterns results in severe economic damage, impacting voters' economic well-being and contributing to a decline in the quality of life. These consequences prompt sudden shifts in voter outlook and a change in consumers' willingness to embrace low-carbon practices. Robust policy measures to support decarbonisation start late this decade (2020's).

The lack of policy support during this decade, means that renewable energy and emissions capturing technology lag and fall short of curbing global temperature rise. The implementation of more stringent policy measures in the early part of the 2030s significantly improves the economic viability of renewable energy, leading to a rapid and widespread adoption of these sustainable sources. Similarly, the phase-out of fossil fuels in various sectors, including personal vehicles, accelerates, advancing the collective efforts to mitigate global temperature rise beyond the 2030s.

With the delay of effective policy and action, the global temperature continues to rise, reaching +1.84°C in 2030 and +2.37°C in 2050. This upward trend is a result of the time required for policies to take full effect. However, the global temperature will be contained beyond 2050, levelling off at +2.38°C in 2100. The global concentration of CO₂ will be 8.28% higher in 2050 compared to 2020, and in 2100 will still be 5.13% higher than in 2020.

Higher GHG emissions bring more **'chronic'** physical risk – such as extreme heat and sea level rise, resulting in physical climate cost to reach a global GDP loss of 1.96% in 2030, increase to 4.76% in 2050 and continue to increase to -5.66% in 2100. GDP loss due to transition risk does not occur until after policy measures tighten from the end of this decade and thereafter peaks at a global GDP loss of 1.55% in 2050. Insurance availability and pricing are negatively impacted.

Temperature increase will be the greatest in the Northern regions of the Northern hemisphere. Changes in precipitation patterns and sea level rise are likely by 2050 and risks associated with extreme sea levels during high tides and storms increases. Less developed countries and physically vulnerable locations experience more extreme effects, exacerbating geopolitical tensions, social unrest and instability.

Scenario 3 - Nationally Determined Contributions – Aggressive

NGFS base this scenario on conditional NDCs at the beginning of 2021. NDCs are countries' self-defined national climate pledges and include details of what they will do to reduce GHG emissions in line with Paris Agreement goals. This scenario shows the inadequacy of countries' pledges to mitigate GHG emissions and limit global temperature rise. This aggressive physical impact NDC scenario assesses the temperature outcome of this scenario at 3.47°C in 2100. Temperature increases of this magnitude lead to a non-linear increase in severe and irreversible climate impacts.

In this scenario, despite the heightened frequency of extreme weather patterns and associated economic damages, countries fall short of triggering collective actions to effectively mitigate the global temperature rise beyond 2030. The fragmented policy action results in no significant reduction in global emissions, with an average decline of only 0.81% per annum from 2025 to 2030. After 2030, a growing number of countries take action to curb emissions leading to an average decline of 1.60% per annum from 2030 to 2050 and 1.39% from 2050 to 2100. However, GHG concentrations continue to build rapidly.

The global concentration of CO₂ will be 13.4% higher in 2050 compared to 2020 and will continue to grow beyond, reaching a level of 24.9% higher in 2100 than in 2020. The higher temperatures, impacts of **'chronic'** and **'acute'** weather and poorer air quality reduce the quality of life. Alongside heat and other extreme weather events, sea level rise and storm surges will start to challenge coastal cities and developments by 2050 and by 2100 will have a significant negative impact, such as loss of land, forced migration, impact on coastal ecosystems and trade routes. Geographies with higher exposure to physical risks and limited ability or resources to adapt will be particularly hard-hit.

The negative physical environmental impacts of strongly increasing GHG concentrations impact global GDP adversely, with a GDP loss of 5.52% in 2050, increasing to 11.30% in 2100. Financial impacts are felt across the globe, and from governments through to businesses and individuals. Increasing severe weather events impact the cost and availability of insurance significantly.

Governments will need to provide significant financial support for adaptation, supporting individuals affected by **'chronic'** and **'acute'** physical risks, placing stress on national budgets.

Temperature, weather pattern changes and disruptions from **'acute'** physical risk events reduce workplace productivity and cause income losses. Human health is impacted by increased physical climate perils and declining health and financial outcomes drive political unrest and instability.

3.3.4 Time horizons (paragraph 51(a)(ii) of NZ CS 3)

For each of the scenarios, Pie Funds saw no reason to choose different time horizons than those set out in the FSC EY Report. These time horizons and rationale for selection are set out in Table B below. For the first Reporting Period at least, Pie Funds' view is that aligning to industry for comparability is sensible.

The short-term horizon of 1-3 years gives the most visibility in terms of likely climate impacts and aligns with the minimum recommended time horizons of two of the Funds – the Pie Fixed Income Fund and the Pie KiwiSaver Conservative Fund - of 3 years. The medium-term time horizon of 5-10 years aligns with the minimum recommended time horizons of 5-7 years for the other Funds.

The choice of 2050 for the end point of the long-term time horizon is based on the factors in the FSC EY Sector Report, as noted in Table B below. The average age of KiwiSaver customers in the Pie KiwiSaver Scheme is 33 years old meaning that these customers may be looking at investment horizons of two decades or more. In addition, the significant lag

between GHG emissions occurring and the appearance of physical climate risks because of those emissions, means it is helpful to consider pathways that start to show the differentiation in longer term consequences based on emissions trajectories.

TABLE B - Time horizons for Scenario Analysis and Climate-Related Risks and Opportunities

| | Short term | Medium Term | Long Term |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Time horizon</i> | 1-3 years | 5-10 years | < 30 years |
| <i>Year relative to 2023</i> | 2025 | 2030 | 2050 |
| FSC Rationale (as applicable to Pie Funds as MIS manager) | Aligned with the current regulator stress-testing time horizons. | Aligned with medium-term investment horizon such as saving for a first home. | Aligned with international emissions reductions targets. Aligned with long-term investment horizons such as individuals saving for retirement or KiwiSaver withdrawal. |
| Pie Funds rationale | Aligned with minimum recommended investment term for Fixed Income and Conservative Fund and the current regulator stress-testing horizons. | Aligned with minimum recommended investment term for all funds except for Fixed Income and Conservative Fund and KiwiSaver withdrawals for a first home. | Long term timeframe needed to start to illustrate the impact of different physical risks, noting that physical risks are expected to worsen considerably post 2050 in higher emissions scenarios. |

Source: Content reflects FSC EY Sector Report, page 13

3.3.5 Key drivers and pathways (paragraph 51(a)(iii) of NZ CS 3)

For each of the NGFS scenarios chosen, data points for core factors that drive the assumptions of how the future may develop are available from NGFS². Each of the sets of drivers for change for the three scenarios selected are included in Appendix A. The drivers show that the key assumptions underlying pathway development in each scenario are as follows:

- policy and socioeconomic assumptions are covered by reference to carbon pricing and taxing (as a proxy for policy measures) and population growth;
- macroeconomic trends are covered by reference to GDP and consumption;
- energy pathways are covered by reference to net emissions and levels of renewables used in electricity and energy production;
- carbon sequestration is covered by reference to CDR;
- technology outcomes are covered by reference to use of renewable electricity and energy and use of carbon sequestration; and
- environmental outcomes are covered by reference to temperature increase and global concentrations of certain GHG gases.

Given the different geographical focus of certain Funds within the Schemes, for the purposes of the scenario analysis Climate Workshops held, drivers at a regional American, European and Canada/Australia/NZ level were considered in relation to the Funds as follows:

- Global drivers of change were considered for all funds within the Scheme(s);
- US drivers of change were considered for the Global Growth and Diversified funds;
- European drivers of change were considered for the Pie Growth UK & Europe Fund; and

- Australia/Canada and New Zealand drives of change were considered for the Australasian Growth funds.

Please see Appendix A for all the drivers across all regions for the three scenarios selected.

3.3.6 Relevance and appropriateness (paragraph 51(a)(iv) of NZ CS 3)

Pie Funds carefully considered which climate-related scenarios to use and chose the above NGFS-based scenarios, based on a number of factors. On a practical level, the NGFS-based scenarios above were assessed to be relevant based on regulatory criteria, broad comparability with content in the FSC EY Sector Report and availability of data through MSCI. At the time of the Climate Workshop Series, MSCI outputs were based on NGFS Phase III Scenarios, and had not yet been updated to NGFS Phase IV. In order to align with MSCI and conduct the Climate Workshop Series with sufficient time to produce these Climate Statements, Pie Funds chose to use NGFS Phase III Scenarios as well. If we utilise MSCI in the future, this will enhance a coherent approach that can be built on in the future. It is important to note that there is no 'perfect answer' in terms of climate scenarios to build on and given Pie Funds are not specialists in the area of climate science we have limited ability for unique scenarios to be created based on internal capabilities.

In terms of relevance of the NGFS scenarios to the Funds within the Schemes, NGFS scenarios take a global macro approach with broad relevance to the global investment strategies. The use of the same scenarios broadly across all Funds within the Schemes was considered a reasonable starting point for this initial year of scenario analysis. In addition, NGFS also provides the ability to extract information based on geographies of interest – such as looking at the United States and Europe separately, which is relevant to the Global Growth Funds, Fixed Income Fund and in turn the Diversified Funds. For the Australasian Growth Funds, NGFS provides narratives and drivers for Australia, Canada and New Zealand together. The Investment Leadership Team confirmed that grouping those 3 countries together did not detract from the usefulness of the NGFS information for the purposes of scenario analysis.

NGFS is widely used in the financial sector. NGFS and other experts have commented on the limitations of NGFS scenarios, which supports insight into what NGFS scenarios do and do not cover and potential limitations of their outputs. NGFS published technical guidance for users noting that its scenarios only "provide a starting point for analysis that users should supplement as needed"⁵. Areas that NGFS identifies as not covered comprehensively include areas that could have significant negative economic impact, particularly in higher temperature scenarios in years to come. These areas include tipping points, certain physical risks and risks to society that climate change can bring to name a few. Expert commentators consider that NGFS underestimates physical risk significantly and this needs to be taken into account when using these scenarios, especially when undertaking the qualitative assessment of the physical climate-related risks in the context of the individual Funds ⁶.

3.3.7 Sources of data (paragraph 51(a)(v) of NZ CS 3)

The primary source of data for the scenario narratives in this section and the scenario drivers in Appendix A was NGFS Phase III materials, drawn from the NGFS portal⁷, as noted above in section 3.3.4 of these Climate Statements. MSCI outputs based on the same NGFS Phase III scenarios were used to prompt qualitative discussion (see 'Use of MSCI' above) and signpost climate-related risks and opportunities, as discussed below in section 3.4 of these Climate Statements.

3.4 Climate related risks and opportunities (paragraph 11(c) of NZ CS 1)

Pie Funds' Core Climate Stakeholder Group considered how to assess and disclose climate-related risks and opportunities for each Fund within the Schemes during the Climate Workshop Series and associated stakeholder

⁵ NGFS scenarios: Purpose, use cases and guidance where institutional adaptations are required, NGFS publication, 23 January 2024 ([NGFS scenarios: Purpose, use cases and guidance on where institutional adaptations are required](#)).

⁶ The Emporer's New Climate Scenarios (Limitations and assumptions of commonly used climate-change scenarios in financial services), published by the Institute of Actuaries and the University of Exeter, July 2023.

⁷ NGFS provides information through its Scenarios Portal – www.ngfs.net/ngfs-scenarios-portal. Note that NGFS Phase III scenarios have been superseded but were chosen for the reasons discussed in section 3.3.5.

meetings. The Climate Workshop Series considered each individual Fund, including the commonalities and differences between the Funds.

As the Climate Workshop Series progressed, it became clear that there was significant overlap in the potentially relevant climate-related risks and opportunities across many Funds. As a result, to avoid duplication and confusion, the climate-related risks and opportunities identified in Table C are expressed in very broad terms at the Scheme level. This includes identification of physical and transition risks and opportunities, and some reference to investments by sector. Each of the climate-related risks and opportunities described in Table C have been further considered in the context of each Fund. An assessment of these climate-related risks and opportunities for each Fund can be found in section 6 (Fund Summaries) of these Climate Statements. Where a Fund held an investment in a product provided by a third-party fund manager or an ETF we employed an aggregate approach (considered to be one Investee). This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly.

General Climate-related risk and opportunity methodology

Pie Funds' Core Climate Stakeholder Group discussed and identified climate related risks and opportunities in relation to the funds in the Scheme(s). Data from MSCI reports was used to support the scenario analysis process (see "Use of MSCI" above) and the risks and opportunities identified in MSCI reports for each Fund were listed for consideration. A broad check was performed against risks identified for Fund Managers in the FSC EY Sector Report, noting that the methodology used differed significantly and could not be aligned. The list of climate-related risks and opportunities were supplemented and adjusted during qualitative discussion during the Climate Workshop Series, drawing on the expertise of the Investment Team and their portfolio knowledge.

Current portfolio allocations were considered as a proxy for potential future allocations. As noted in section 3.1 (Pie Funds' investment approach) of these Climate Statements, Pie Funds aims for specific sector allocation targets do not form part of its investment strategy and future portfolio allocations could change significantly, so the climate-related risks and opportunities are identified as relevant only in a general sense and at a point in time.

Using the approach described above, Pie Funds did not exclude parts of its Investee's value chain considered explicitly, but as noted above, used MSCI reports to support scenario analysis and identification of climate-related risks and opportunities. The data available to MSCI is variable and known to have limitations which will impact coverage by MSCI of Investee value chains. These Climate Statements focus on the Schemes and Funds, not the value chain of Pie Funds as a fund manager.

Specific issues in relation to physical risk

Physical climate risk identification poses a particular challenge for Pie Funds and other fund managers. Physical risks primarily arise from asset or value chain location. The Fund portfolios are invested in companies with assets and value chains in many different parts of the world. Pie Funds does not necessarily have access to data on those asset and value chain locations to analyse physical risk.

The only physical climate-related risk data available to Pie Funds is from MSCI. MSCI maintains a proprietary asset location database and uses its models to measure exposure to approximately 10 different climate-related hazards; both '**acute**' and '**chronic**' based on the information on the portfolio companies in that database. MSCI models five '**acute**' hazards: Tropical Cyclones, Coastal Flooding, Fluvial Flooding, River Low Flow, and Wildfire and five '**chronic**' hazards: Extreme Heat, Extreme Cold, Extreme Wind, Extreme Precipitation, and Extreme Snowfall.

MSCI generates a 'Physical Value at Risk' or 'Physical VaR' score arising from the 10 different climate-related hazards, based on selection of a climate scenario. The Core Climate Stakeholder Group used MSCI physical risk VaR outputs and focussed on where a physical risk was shown as having a potential negative impact on a Fund of 0.5% or greater in one or more of the chosen scenarios. This low threshold was chosen not as an indicator of materiality but to trigger discussion with the awareness that the NGFS scenarios may underestimate physical risk, as discussed in section 3.3.5 of these Climate Statements.

The data coverage by MSCI for these hazards can differ. For all the Funds the data coverage for Wildfires has been zero, which we understand is inaccurate and have therefore included wildfires as an identified physical risk.

Approach to disclosure of climate-related risks and opportunities

Pie Funds identified that many climate-related risks and opportunities are relevant across a number of Funds within the Schemes. Based on current allocations, although not all of the following climate-related risks and opportunities will be equally relevant to each Fund, given the extensive overlap, Pie Funds decided to disclose the high-level potential climate-related risks and opportunities at a Scheme-level in Table C below.

Please see Section 6 (Fund Summaries) of these Climate Statements for further content in relation to the applicability of the categories of risk and opportunity outlined below to each Fund.

Table C - Potential climate-related risks and opportunities – Scheme level overview

| TABLE C - Potential climate-related risks and opportunities – Scheme level overview | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk or Opportunity | Description | Anticipated Impact |
| TRANSITION OPPORTUNITIES | | |
| <i>Investment opportunities that capture the potential value to be gained from assets that support the mitigation of GHG emissions and transition to a low-emissions economy, meet changing consumer preferences, enhance resource and process efficiency, address policy requirements and support adaptation to the consequences of climate change. Significant opportunity is seen in North American and European investee company universe.</i> | | |
| Technology | Potential investment opportunities across value chains with exposure to technology advancements that support electrification, including renewable energy and storage, EVs, improving resource efficiency and circularity. | Like other investment opportunities, selecting investee companies aligned to take advantage of these opportunities could increase the value of the investment, contributing positively to the value of the relevant Fund and the outcome for a customer investing in that Fund. |
| Consumer preference | Potential investment opportunities across value chains related to products and services that support changing consumer preferences and awareness of environmental issues. These could include alternative / greener agriculture, circular economy, microgeneration, EV supply chain. | |

| Risk or Opportunity | Description | Anticipated Impact |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>TRANSITION RISKS <i>Transition risks relate to the risks to the value of investments resulting from the transition to a low emissions economy. This may entail extensive policy, legal, technology, market and reputation impacts associated with mitigation of emissions and adaptation to the impacts of climate change. These risks could apply in all regions, with more significant risk likely to arise in emissions intensive industries, in particular fossil fuel. Sub-categories of Transition Risks are noted below.</i></p> | | |
| Policy Risk | <p>Potential investment risks arise across a broad range of sectors as a result of policy changes to reduce GHG emissions and other activities with adverse impacts on the climate. These risks are likely to be highest in emissions-intensive sectors and their value chains. Risks could include the imposition of carbon taxes, which could impact profitability or costs of compliance with other climate-related regulation. Climate policy uncertainty also creates potential investment risks and volatility.</p> | |
| Stranded Assets | <p>Stranded assets could arise in emissions-intensive sectors, particularly the fossil fuel industry, fossil-fuel reliant utilities and potentially other sectors such as agriculture as operating these assets is less financially attractive, loses social licence or are subject to policy restrictions. Stranded asset risk is most likely in emissions-intensive sectors and their value chains, particularly the fossil fuel industry. See Pie Funds' Responsible Investment Policy on its approach to investment in companies involved in coal, oil and gas.</p> | <p>Like other investment risks, investing in companies with significant climate-related risks could decrease the value of the investment. Especially if there is undiversified exposure to climate risk, this could negatively impact the value of the relevant Fund and outcome for a customer investing in that Fund.</p> |
| Stakeholder Preference Change | <p>Risks to corporate financial performance may arise across a range of sectors as consumers and investors turn away from sectors and companies due to environmental concerns. Consumers may turn against non-sustainable agriculture, products and services associated with high levels of waste, such as fast fashion. Investors may reduce financing of high-emissions Investees, especially those without transition plans, and financing costs may be impacted - noting the extensive Net Zero Banking Alliance and similar initiatives.</p> | |
| Litigation Risk | <p>Climate litigation has grown rapidly in recent years and can affect a broad range of stakeholders, including governments as well as entities in high-emissions sectors and potentially finance providers.</p> | |

| Risk or Opportunity | Description | Anticipated Impact |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>PHYSICAL RISKS</p> <p><i>Physical risks relate to the risk to the value of investments resulting from the physical impacts of climate change. Physical risks emanating from climate change can be event-driven ('acute') such as increased severity of extreme weather events. They can also relate to longer-term shifts ('chronic') in precipitation and temperature and increased variability in weather patterns, such as sea level rise. Sub-categories of physical risks are noted below. The sub-categories and definitions are based on MSCI* definitions because Pie Funds has used MSCI as an indicative source of information to identify physical risks. Physical risks are likely to arise globally and can impact all sectors, directly or indirectly.</i></p> | | |
| Coastal Flooding | Coastal flooding is directly correlated with sea-level rise. As meltwater from glaciers and ice sheets enters the oceans and high ocean temperatures lead to seawater expansion, sea level rises. <i>Sea level rise is likely to occur over extended time periods, with the impact from current levels of GHG concentration, potentially not being fully realised for decades and centuries to come.</i> Sea level rise will impact society and the economy far more broadly than just the coastal properties directly impacted. | Like other investment risks, investing in companies with significant climate-related risks could decrease the value of the investment. Especially if there is undiversified exposure to climate risk, this could negatively impact the value of the relevant Fund and outcome for a customer investing in that Fund. |
| Extreme Heat | MSCI defines Extreme Heat as the number of days when the indoor wet bulb globe temperature exceeds thresholds of 10°C to 37°C, in steps of 1°C. Extreme heat is known to have an adverse impact on productivity, health, quality of life. Extreme heat increases the potential of drought and wildfires, both known to be high risk in many parts of the world, including Australia. | Like other investment risks, investing in companies with significant climate-related risks could decrease the value of the investment. Especially if there is undiversified exposure to climate risk, this could negatively impact the value of the relevant Fund and outcome for a customer investing in that Fund. |
| Wildfires | Wildfires, forest or bushfires, are uncontrolled fires that threaten human activities located nearby and are of high concern in many parts of the world, including North America and Australia. | |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

Types and definitions of physical risk based on "An Introduction to the Climate Hazards covered in MSCI'S Physical Risk Model" MSCI ESG Research, December 2023.

3.4.1 How short, medium and long term are defined and how the definitions are linked to its strategic planning horizons and capital deployment plans (paragraph 14(a) of NZ CS 1)

Pie Funds needs to balance a number of considerations when considering appropriate strategic planning and investment time horizons, in particular meeting its clients' expectations and needs. The time horizons used to consider climate-related risks and opportunities are the same as those used for climate-related scenario analysis as set out in section 3.3.3 of these Climate Statements, and link to the strategic planning horizons noted in that section. This is a new area and these defined time horizons have not been integrated into investment plans (capital deployment) in relation to the Funds. Please see section 3.3.4 of these Climate Statements for discussion of alignment of time horizons with recommended investment terms in Funds.

3.4.2 Identified as physical or transition risks or opportunities, including, where relevant, their sector and geography (paragraph 14(b) of NZ CS 1)

Please refer to Table C in section 3.4 of these Climate Statements.

3.4.3 How climate-related risks and opportunities serve as an input to its internal capital deployment and funding decision-making processes (paragraph 14(c) of NZ CS 1)

For the Reporting Period, climate-related inputs have not been considered explicitly as part of Pie Funds' capital deployment or investment decision making processes. However, Pie Funds has invested in resources to build its capacity and training such as the ESG Analyst role introduced in July 2022 and the onboarding of MSCI in late 2023.

Although ESG scoring, both by MSCI and the internal scoring methodology includes environmental elements such as climate, we are at the beginning of our journey of considering where and how climate-related considerations will be positioned in our internal investment and risk management practices. See section 5.2 (Industry Metrics) of these Climate Statements for an overview of Pie Funds' ESG scoring, and Section 5.4 (Targets) of these Climate Statements for Pie Funds' target to integrate assessment of climate-related risk into its existing risk management framework.

3.5 Anticipated impacts of climate related risks and opportunities (paragraph 11(d) of NZ CS 1)

3.5.1 Anticipated impacts of climate-related risks and opportunities reasonably expected by the entity (paragraph 15(a) of NZ CS 1)

Please refer to the "Impacts" in Table C in section 3.4 of these Climate Statements, together with section 3.1 (Pie Funds' investment approach) and section 6 (Fund Summaries) of these Climate Statements, which also contain content in relation to anticipated impacts.

The explanation in this section 3.5.1 is intended to aid the primary user in understanding the anticipated impacts described in Table C and the "likelihood ratings" in relation to climate-related risks and opportunities in relation to individual Funds, as shown in section 6 (Fund Summaries) of these Climate Statements.

Anticipated impacts and Pie Funds' investment approach

The anticipated impact on the Funds noted in Table C, are 'inherent' and do not take into account how Pie Funds' investment team will react, nor how investment strategy or portfolio allocations may be adjusted. In many cases, Pie Funds' active investment approach provides agility to react to opportunities and risks as they become foreseeable, so include significant flexibility.

However, climate risk is highly uncertain and there may be climate-related risks that are not foreseeable, occur suddenly and /or are '**chronic**' and widespread. These types of risk may affect large proportions of the market and could seriously impact the global economy in terms of consumption, government spending and investment returns on a broad basis. Broad-reaching risks are likely to impact investments irrespective of investment strategy. For example, some commentators consider that climate-related risk is not currently priced into the market and that a rapid price movement related to climate risk is possible. Sudden policy changes or significant climate events in a major economy could also trigger widespread global market impacts. In addition, in scenarios where global efforts fail to mitigate GHG emissions, widespread economic loss is predicted due to the increasing adverse physical impacts of climate change that could detrimentally affect broad sections of the potential investment universe.

3.5.2 Anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity (paragraph 15(b) and (d) of NZ CS 1)

Pie Funds has elected to use adoption provision 2 (which exempts the disclosure of anticipated financial impacts of climate-related risks and opportunities reasonably expected by Pie Funds).

3.5.3 Time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur (paragraph 15(c) of NZ CS 1)

Pie Funds has elected to use adoption provision 2 (which exempts the disclosure of time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur).

3.6 Description of processes for identifying, assessing and managing climate-related risks (paragraph 11(e) of NZ CS 1).

3.6.1 Current business model and strategy (paragraph 16(a) of NZ CS 1)

Please refer to section 3.1 (Pie Funds' investment approach) and section 6 (Fund Summaries) of these Climate Statements, which contain content in relation to the strategy for each Fund in the Schemes.

3.6.2 Transition plan aspect of strategy (paragraph 16(b) of NZ CS 1)

Pie Funds has elected to use adoption provision 3 (which exempts the disclosure of Pie Funds' transition plan, and the extent to which transition plan aspects of its strategy are aligned with its capital deployment and funds decision making processes).

With the onboarding of MSCI late in 2023, the Investment Team have increased awareness of metrics that would be relevant to a future transition plan, such as the proportion of investee companies that provide climate reporting and with their own transition plan. However, as MSCI has only recently been onboarded and Pie Funds is early in its journey of considering climate-related data and metrics from MSCI, Pie Funds is not ready to start a transition plan.

Pie Funds is committed to educating and increasing the collective knowledge base of the Board, Investment Team and wider organisation. This includes an annual presentation to the Board, an annual training session for the Investment Team and client facing staff to assist the quality of the climate disclosures and any questions the primary users may have respectively.

3.6.3 The extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes (paragraph 16(c) of NZ CS 1)

Pie Funds has elected to use adoption provision 3 (which exempts the disclosure of Pie Funds' transition plan, and the extent to which transition plan aspects of its strategy are aligned with its capital deployment and funds decision making processes).

4. Risk Management

► 4. RISK MANAGEMENT

4.1 Processes for identifying, assessing and managing climate-related risks (paragraph 18(a) of NZ CS 1)

4.1.1 Tools and methods used to identify, and to assess the scope, size, and impact of, identified climate-related risks (paragraph 19(a) of NZ CS 1)

Risk management is an integral part of the day-to-day management of Pie Funds. There is an overarching risk management framework and risk register supported by a suite of policies and procedures appropriate for Pie Funds. The Risk Management Framework adopts the principles described in AS/NZS ISO 31000:2018, which aims to ensure that risk management is robustly structured and effective.

Pie Funds currently uses internal stakeholder engagement and MSCI to determine and analyse the reasonable likelihood and potential impacts of climate-related risks materialising. Stakeholder engagement consists of a cross-functional group representing several functions across the organisation that supports the identification of Pie Funds' climate-related risks through scenario analysis: Executive management, Investment and Risk. This cross-functional group has extensive investment management experience. MSCI is a tool that leverages NGFS scenarios paired with a well-resourced data science division to identify potential impacts of climate-related risks (for more information about the scenario analysis process please see section 3 (Strategy) in these Climate Statements).

Climate-related risks and opportunities are determined at the Fund level rather than the Manager level and have been identified by using MSCI data, cross-referencing the FSC EY report, scenario analysis, and a qualitative review by the Investment Team.

'Focus risk groups' (including risks outside of Board tolerance levels) are reviewed and reported to the Risk & Compliance Committee, Investment Committee and Board quarterly. Focus risk groups include risk groups where there has been a growing number of incidents, near misses or are an increasing risk within Pie Funds. Beginning 1 July 2024 climate-related risks, will be managed through Pie Funds' existing stock initiation and monitoring processes through the Investment Committee.

The entire Risk Management Framework and associated risk register ('**Risk Register**') is reviewed by the Risk and Compliance Committee annually with any recommendations for changes submitted to the Board for approval. As at 31 March 2024, the Risk & Compliance Committee comprises the Chief Executive Officer, Chief Operating Officer, Chief Investment Officer, Head of Products and Operations, and Head of Risk and Compliance

From 1 April 2024, in conjunction with regular reviews of organisational risks and risk reporting, the Investment leadership team will conduct an annual review of the climate-related risks, which will run concurrently with the annual scenario analysis assessment process⁸. As part of the Investment Policy and Procedure document the Investment Committee will review any climate-related risks in the context of investee companies. Any material changes to climate related risks identified by the Investment leadership team or Portfolio managers responsible for ESG risk, including climate-related risks will be reported to the Investment Committee and the Board through an annual review process or ad hoc where appropriate. This process will include analysing the portfolios using MSCI data to identify any new climate-related risks or opportunities and any change to those risks and opportunities previously identified.

⁸ Frequency of assessment (paragraph 19(d) of NZ CS 1)

4.1.2 Short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons; (paragraph 19(b) of NZ CS 1)

The time horizons used by Pie Funds to identify relevant climate related risks are those set out in the table below. These are the time horizons used by Pie Funds to carry out scenario analysis for the purposes of identifying climate-related risks and opportunities (see the description of scenario analysis in section 3 (Strategy) of these Climate Statements).

| | Short Term | Medium Term | Long Term |
|------------------------------|------------------|-------------------|---------------------|
| Time Horizon | 1-3 Years | 5-10 Years | >30 Years |
| Year relative to 2024 | 2027 | 2030 | 2050 |

4.1.3 Parts of the value chain that are excluded (paragraph 19(c) of NZ CS 1)

The climate-related risks and opportunities included in these Climate Statements have been identified by considering three climate change scenarios over a 30-year time horizon. In doing so, Pie Funds has considered all phases of the Investee's value chain, without any voluntarily applied exclusions, using MSCI climate-related risk reports relating to the Funds. However, when considering the value chain of Pie Funds' Investees within the Funds, the availability and quality of data is limited. Please refer to section 6.2 (Data Limitations) of these Climate Statements, for further information.

4.1.4 Frequency of assessment (paragraph 19(d) of NZ CS 1)

Pie Funds will formally review climate-related risk and opportunities annually and where required repeat the process of scenario analysis prior to the annual completion of the Climate Statements. Pie Funds' Risk Register (which includes climate-related risks) is considered at the Risk and Compliance Committee and Investment Committee quarterly, with any risks high or extreme being escalated to the Board quarterly. There is an annual review of the Pie Funds' Risk Register, Investment Policy and Procedure Document and Risk Management Framework.

4.1.5 Process for prioritising climate-related risks relative to other types of risks (paragraph 19(e) of NZ CS 1)

As previously mentioned, from April 2024, climate-related risks and opportunities are determined at the Fund level rather than the Manager level by using MSCI data, cross-referencing the FSC EY report, scenario analysis and a qualitative review by the Investment Team.

Pie Funds treats climate-related risks in the same way as other risks.

4.2 How the processes for identifying, assessing, and managing climate related risks are integrated into its overall risk management processes (paragraph 18(b) of NZ CS 1)

Identifying, assessing and managing the climate-related risks in Pie Funds' Risk Register will be assigned to the Risk and Compliance Committee and reported to the Board. Board tolerance for climate risks will be assessed before 31 March 2025. When a risk sits outside Board tolerance level, an action plan is required to mitigate further risk. Reporting to relevant governance bodies is required until the risk falls back within Board tolerance levels and where required enhanced controls are implemented.

It is intended that by the end of September 2024, climate-related risks at the Fund level, including both transition and physical risks, will be incorporated into Pie Funds' existing Investment Policy and Procedure document, which is referred to in the Risk Management Framework.

ESG Scoring Methodology and Exclusions

Pie Funds uses ESG scores calculated by MSCI in its investment processes, an internal ESG scoring methodology and qualitative analysis where appropriate to support its decision making. Section 5 (Metrics) of these Climate Statements provides further detail.

In addition, exclusions can play a part in managing climate risk. The RI Policy includes guidelines for investment in companies involved in coal or other fossil fuel industries. Please note that these exclusions can be overridden and current investments in the fossil fuel industry within the Funds have been explicitly approved as exceptions to these restrictions in the RI Policy.

5. Metrics and Targets

► 5. METRICS AND TARGETS

Introduction – Approach to Disclosure of Metrics and Targets at Fund and Scheme level

NZ CS 1 requires certain Metrics and Targets to be disclosed, most of which are relevant at a Fund level, but some of which are relevant at a Scheme level. In addition, it is necessary to explain the underlying methodology in order to support an understanding of the Metrics disclosed. To assist the reader, this section explains where to find content for the Funds and Schemes in relation to Metrics, Targets and relevant underlying methodologies.

The Metrics that are required to be disclosed in relation to individual Funds are explained below at sections 5.1.1 to 5.1.5. These sections also include the methodology for those metrics. However, the metrics applicable to the Funds themselves are included in the Fund Summaries themselves - see section 6.3 to 6.17 below.

The remaining Metrics and Targets disclosure from 5.1.6 onwards to 5.4 applies to the Schemes.

GHG Emissions metrics (5.1.1 – 5.1.2)

The Fund Summaries include three metrics in relation to GHG emissions: Total Financed Carbon Emissions, Carbon Footprint and Weighted Average Carbon Intensity (**“WACI”**).

Portfolio GHG emissions data and other metrics are generated by MSCI based on a mix of reported and estimated information. For further information related to how MSCI produces GHG emissions data, and the scope of emissions that these metrics cover, please refer to section 5.5.

GHG emissions data and methodology disclosure have not been assured for this Reporting Period.

5.1 Metrics that are relevant to all entities regardless of industry and business model (paragraph 21(a) of NZ CS 1)

5.1.1 Greenhouse gas (“GHG”) emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for each of the Funds can be found in the relevant fund summary in section 6 of these Climate Statements (**“Fund Summaries”**).

Two metrics are used for Fund GHG emissions:

Total Financed Carbon Emissions: This metric represents the absolute volume of GHG emissions for which an Investee is responsible. However, this value is linked to portfolio size, thus limiting its comparability.

Carbon Footprint: This metric measures the Fund’s GHG emissions normalised by portfolio size, enabling comparison between Funds.

Pie Funds discloses Carbon Footprint as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years, as mentioned above. The formulae, sourced from MSCI, for these metrics are below:

| Metrics | Methodology |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Financed Carbon Emissions | $Mtons CO_2e = \sum \left(\frac{\text{current value of investment}}{\text{issuer's EVIC}} \times \text{Issuer's Scope 1 \& 2 GHG emissions} \right)$ |
| Carbon Footprint | $M tons CO_2e / NZD M invested = \frac{\sum \left(\frac{\text{current value of investment}}{\text{issuer's EVIC}} \times \text{Issuer's Scope 1 \& 2 GHG emissions} \right)}{\text{current portfolio value (\$M)}}$ |

5.1.2 GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for each of the Funds can be found in the relevant Fund Summary.

WACI is the metric used for Fund GHG emissions intensity. This metric measures the Fund's emissions relative to sales. It helps identify Investees or sectors exposed to carbon intensity. It is a metric that measures GHG emissions normalised by sales, offering a relevant comparison point across Investees. This metric provides valuable insights into the amount of GHG emissions that Investees emit relative to their business activity. The formula, sourced from MSCI, for this metric is below:

| | |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Weighted Average Carbon Intensity (WACI) | $M tons CO_2e / NZD M sales = \sum \left(\frac{\text{current value of investment}}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 \& 2 GHG emissions}}{\text{issuer's \$m sales}} \right)$ |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

5.1.3 Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Metrics that may help understand the percentage of a Fund assets or companies within a Fund that may be vulnerable to transition risks can be found in the relevant Fund Summary.

Three metrics were chosen to show potential exposure to a percentage of Fund assets or companies within a Fund that may be vulnerable to transition risks:

1. Percentage of Investees with GHG emission reduction target
2. Percentage of Investees with Science Based Target Initiative ('SBTi') approved target, and
3. Percentage of Investees exposed to fossil fuel-based revenue.

These percentage figures in the metrics above are all based on the weighting of Investees in the portfolio.

The use of metrics to indicate transition risk is relatively new. Pie Funds has limited direct access to data (see section 6.2 (No access to direct data) of these Climate Statements) so Pie Funds considered data available from MSCI. The first two metrics above are generated by MSCI's review of public documentation. They are relatively objective measurements that do not involve modelling, although it is possible that companies set but do not publish GHG emission reductions targets. Also, smaller companies are less likely to have set or publish targets.

The second metric relating to Investees with 'SBTi approved targets' gives the emission reduction targets a higher level of robustness. These two metrics serve as indicators of the extent to which a Fund invests in companies with some level of GHG emissions reduction ambition.

For a Fund, a higher percentage of Investees in these 2 categories suggests a lower likelihood of funds being exposed to transition risk.

The third metric, exposure to fossil fuel revenue, indicates the opposite trend. Exposure to fossil-fuel based revenue is considered to indicate that these investments are potentially exposed to transition risk. The MSCI definitions for these three metrics are included below:

| Category | Metrics | Description |
|----------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Risk (percentage of Fund assets vulnerable to Transition Risk) | Companies with GHG emission reduction targets* | The number of companies in the fund with GHG emission reduction targets, noting that these efforts vary considerably across companies and may have limited scope and ambition. |
| | Companies with SBTi approved targets * | Having SBTi-approved targets demonstrates a company's commitment to addressing climate change in a meaningful and measurable way. It signifies that the company is taking concrete actions to reduce its carbon footprint and contribute to global efforts to combat climate change. |
| | Fossil Fuel based revenue exposure | It measures the number of companies in the fund engaged in revenue-generating business activities related to fossil fuels. Fossil fuel activities are defined as those highly exposed to greenhouse gas (GHG) emissions, potentially facing policy risks. |

* Note that a higher percentage for the first two metrics indicates lower potential transition risk.

5.1.4 Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

Metrics that may help understand the percentage of a Fund's assets vulnerable to physical risks can be found in the relevant Fund Summary.

MSCI generates a 'Physical VaR – or Value at Risk score' based on selection of a climate scenario. The Physical VaR metrics disclosed in sections 6.3 – 6.17 of the Fund Summaries, are presented as a range based on the NGFS scenarios used for scenario analysis. The inherent limitations of the NGFS scenarios (as noted in section 3.3.6 (Relevance and appropriateness) of these Climate Statements) therefore also affect the Physical VaR metric. It is considered that NGFS scenarios underestimate physical risk for higher temperature outcomes, which means that in this case the Physical VaR shown in the NDC Scenario - Aggressive has to be considered with caution and unrealistically low. Please see the explanation "Specific issues in relation to physical risk" in section 3.4 (Climate-related risks and opportunities) of these Climate Statements.

5.1.5 Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

The percentage of assets aligned with climate-related opportunities for each of the Funds can be found in the relevant Fund Summary.

The percentage of assets aligned with climate-related opportunities noted in each Fund Summary has been measured using a percentage of funds exposed to 1) Low Carbon Solutions and 2) Green Revenue. These are metrics generated by MSCI and designed to indicate when a Fund's portfolio is currently aligned to opportunities during the transition to a low carbon economy.

Low Carbon Solutions and Green Revenue are defined by MSCI as set out below:

| | | |
|-----------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate Opportunities | Exposure to Low Carbon Solution | MSCI identifies companies exposed to low-carbon products and services. This assessment is based on the current emissions profile of companies and their management's commitment to transitioning to a low-carbon economy. |
|-----------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Exposure to Green Revenue

This identifies companies whose existing products and operations are well-suited for the transition to a low-carbon economy.

5.1.6 Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (paragraph 22(f) of NZ CS 1)

While Pie Funds maintains a RI Policy, which requires Pie Funds to consider certain factors before investing, it does not have any quantitative requirements around where it invests or spends capital related to climate-related risks and opportunities in relation to any Fund within the Schemes.

5.1.7 Internal emissions price (paragraph 22(g) of NZ CS 1)

Pie Funds does not use an internal emissions price for any of its current investment processes in relation to any Fund within the Schemes.

5.1.8 Management remuneration linked to climate-related risks and opportunities in the current period paragraph 22(h) of NZ CS 1)

Pie Funds does not link management remuneration to climate-related risks and opportunities in relation to any Fund within the Schemes. However setting management remuneration requires compliance with policies and processes, which includes those related to climate-related risks and opportunities.

5.2 Industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities (paragraph 21(b) of NZ CS 1)

Pie Funds uses industry-based metrics to measure and manage climate-related risks and opportunities as set out below.

Pie Funds uses ESG ratings to evaluate potential investments. ESG ratings are one metric that contributes to the management of climate risk, alongside other ESG-related risks. Pie Funds used Sustainalytics ESG ratings during the Reporting Period until February 2024, and additionally used MSCI ESG ratings from September 2023.

Where there is no MSCI ESG score available for a company, Pie Funds has started using an internal ESG scoring methodology to support its analysis from March 2024. The environmental element of this scoring methodology includes three factors with different weightings: consideration of how exposed the relevant sector is to climate impact (45%), the company's commitment to sustainability (35%) and whether the company considers its value chain in efforts to improve the environment (20%). This ESG scoring methodology applies to the underlying investments in all Funds within the Schemes. Pie Funds uses MSCI climate metrics in its internal considerations of climate-related risks and opportunities during scenario analysis.

5.3 Other key performance indicators used to measure and manage climate-related risks and opportunities (paragraph 21(c) of NZ CS 1)

Pie Funds does not use other key performance indicators to measure and manage climate-related risks and opportunities in relation to any Fund within the Scheme. However setting management remuneration requires compliance with policies and processes, which includes those related to climate-related risks and opportunities.

5.4 Targets used to manage climate-related risks and opportunities, and performance against those targets (paragraph 21(d) and paragraph 23 of NZ CS 1)

Pie Funds is at the beginning of its climate related risk and opportunity management and disclosure journey. At this stage Pie Funds' targets are focused on further upskilling and integration and embedding of climate-related risk management alongside other investment risks (recognising that it is an element of investment risk). Specifically:

| Category of target | Description of target | Timeframe | Interim Target | Base year | Performance to date |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1. Upskilling of key stakeholders | <p>To establish a regular annual training programme for the Board on keys aspects of the Climate-Related Disclosures ('CRD') regime.</p> <p>To establish a regular annual training programme for the Investment Team on aspects of the CRD regime that affect the investment process.</p> <p>To provide a training session to client-facing staff to assist the understanding of climate disclosures and to respond to primary user questions.</p> | By March 2026 | By March 2024 - the first session to the Board and Investment Team has taken place. | Tracking performance against this target since March 2024. | The Board and Investment Team have undertaken the first session on the Climate Reporting Disclosures and relates Statement. |
| 2. Embedding climate related data and guidance into existing processes | <p>Fully integrate climate-related risk into the Risk Management Framework.</p> <p>Integrate any guidance from the FMA/Supervisor into process for preparing climate statements.</p> | By March 2026 | NA | Tracking performance against this target since March 2024. | Risk Management Framework and Investment Policy and Procedure document has been updated to include climate-related risks. |
| 3. Integrating climate-related priorities into remuneration | At least one climate-related KPI for all Pie Fund investment employees and officers. | By March 2030 | NA | Tracking performance against this target since March 2024. | |

These targets would be intended to benefit all Funds within the Schemes.

5.5 GHG emissions methodology (paragraph 24(a) – (d) of NZ CS 1)

The GHG emissions noted in each Fund Summary have been measured in accordance with the GHG Accounting defined by the Greenhouse Gas Protocol ('GHGP'), developed by the Partnership for Carbon Accounting Financials ('PCAF'), using the equity share consolidation approach.

MSCI gathers GHG emissions data for companies once per year from the latest corporate sources, including annual reports, corporate social responsibility reports, or websites. In addition, MSCI uses the carbon emissions data reported through the Carbon Disclosure Project ('CDP') or government databases when reported data is not available through direct corporate disclosure. The GHG Protocol's list of greenhouse gases aligns with guidelines from the Intergovernmental Panel on Climate Change ('IPCC')'s Fifth Assessment Report, 2014, including their respective global warming potential ('GWP') coefficients as indicated below in Table D.

Table D: Greenhouse gases and global warming potential relative to CO2

| Greenhouse Gas | 100-year Global Warming Potential (CO2e) |
|----------------------------|------------------------------------------|
| Carbon Dioxide (CO2) | 1 |
| Methane (CH4) | 28 |
| Nitrous Oxide (N2O) | 265 |
| Hydrofluorocarbons (HFCs) | 4 - 12,400 |
| Perfluorocarbons (PFCs) | 6,630 - 17,000 |
| Sulphur Hexafluoride (SF6) | 23,500 |
| Nitrogen Trifluoride (NF3) | 16,100 |

Source: MSCI ESG Research

The GHGP framework provides detailed requirements for reporting multi-asset portfolio emissions. The MSCI solution follows this methodology and PCAF's additional requirements for GHG accounting and reporting and provides emission measurements for the asset classes set out in Table E below, some of which are not yet defined by PCAF.

Table E: Asset classes offered in the MSCI Total Portfolio Foot printing and coverage by PCAF

| Asset Class | Covered by PCAF |
|------------------------------------|------------------------------|
| Listed equity and corporate bonds | Covered by the standard |
| Business loans and unlisted equity | Covered by the standard |
| Project finance | Covered by the standard |
| Commercial real estate | Covered by the standard |
| Mortgages | Covered by the standard |
| Motor vehicle loans | Covered by the standard |
| Sovereign bonds | Covered by the standard |
| Green bonds | Covered by the standard |
| Municipal bonds | No official PCAF methodology |
| Securitised products | No official PCAF methodology |

Source: MSCI ESG Research as of September 2023, Partnership for Carbon Accounting Financials.

Scope 3 emissions of the Funds are investee or 'financed emissions'. Investee's own GHG emissions are comprised of Scope 1, 2 and 3 emissions. For most sectors, Scope 3 emissions are by far the largest. However, at this stage, data quality of Investee's Scope 3 emissions is low. Even though it represents the largest contributor to GHG emissions, Pie Funds has opted to utilise adoption provisions 4 and 5, exempting the disclosure of Scope 3 GHG emissions and comparative information for Scope 3 GHG emissions. This decision stems from the ongoing challenge of obtaining reliable reported Scope 3 data. MSCI has confirmed that as at the end of the Reporting Period all its Investee Scope 3 data is generated using estimated, not reported information, meaning that the quality of data is considered low. Instead, Pie Funds has chosen to identify and analyse portfolio exposure to GHG emissions through Scope 1 + 2, as detailed in each of the Fund Summaries in section 6 (Fund Summaries) of these Climate Statements. Furthermore, analysing Scope 1 + 2 emissions by sector will aid in determining the sectors with the highest vulnerabilities among our current holdings.

6. Fund Summaries

▶ 6. FUND SUMMARIES

6.1 Content of summaries

There are a number of disclosure areas under NZ CS 1 where the information required is relevant to individual Funds within the Schemes and is not common to the Schemes as a whole. To make it easy for primary users to find information about a Fund in which they are interested in, whether as an existing investor or otherwise, Pie Funds has included in this section a summary for each of the Funds listed in section 1.1 of these Climate Statements, covering the following information:

- name;
- investment strategy;
- overview of Fund holdings;
- climate-related risk and opportunities identified over the short, medium and long term (see section 3 of these Climate Statements for how these were identified);
- commentary on anticipated impacts of the climate-related risks and opportunities (see section 3 of these Climate Statements for how these were identified);
- Metrics (as required by NZ CS 1 and explained in more detail in section 5 of these Climate Statements) sourced from MSCI covering:
 - GHG emissions;
 - GHG emissions intensity;
 - Fund assets potentially vulnerable to transition risks;
 - Fund assets potentially vulnerable to physical risks; and
 - Fund assets potentially aligned with climate-related opportunities.

The content included in the Fund Summaries includes technical information, so methods, assumptions and limitations must be explained to support understanding of that content. Please see Section 6.2 below for this information.

6.2 Data limitations

6.2.1 Data quality, access and use

Data likely to change in future years

Climate-related data availability and quality are varied and can be low. Data quality and availability will improve over the years ahead as climate reporting is increasingly required in many jurisdictions around the world. Although this is helpful, we note that improvements in data availability could result in significant movements in measurements and metrics in future years. All the metrics included in the Fund Summaries in this section, should be considered in that light. This data should not be considered as a solid baseline at this stage. As noted in section 3.3.6 of these Climate Statements, until after the end of the Reporting Period, MSCI used NGFS Phase III scenarios in its product, not the more recent NGFS Phase IV scenarios. Any data that Pie Funds uses in its next Climate Statements will be based on NGFS Phase IV scenarios. This will affect Physical VaR metrics disclosed, and other metrics used for internal signposting of climate risks and opportunities but not disclosed in these Climate Statements.

Fund data coverage and quality

As noted, data availability and quality are varied. MSCI provides “coverage rate” and also “data quality scores” to illustrate how much information is available to it in relation to investments held by a Fund at a particular time.

To aid understanding of the strength and weakness of the underlying data, for each Fund Summary, we include the MSCI “data quality score” and “coverage rate” in respect of that Fund.

This data quality score is based on an established PCAF method. The rating is from 1-5, from the most robust 1 to the least robust 5:

1. Audited emissions data
2. Non-audited emissions data
3. Production model / physical activity based
4. Emission factor / unit of revenue
5. Data that is entirely estimated scoring

In addition, the “data coverage” score that MSCI provides shows the percentage of portfolio investments for which it has information available. Note that underlying information can also vary significantly in quality.

Funds within our Schemes have significant differences in data quality and portfolio coverage. For example:

- Pie Global Growth 2 Fund has the highest data quality score of 2.09 and data coverage of 98.1%, flowing from its focus on large, listed companies which tend to have established climate reporting
- Pie Australasian Growth Fund has the lowest quality score of 3.46 and a data coverage score of 34.4%, given its focus on small cap emerging companies that are unlikely to have climate reporting or otherwise be the focus of analysts’ reports.

Limited direct access to data

As a small active fund manager, certain features of our investing approach are relevant to our ability to access climate-related data.

- The investments we make give us limited access to company management or data. So we rely on external data for assessment of climate risk including discussion with brokers, analysts and management of the company.
- Our investment philosophy tends to favour smaller listed companies, and they do not provide as much data as larger Investees.
- Onboarding MSCI in September 2023 helps to fill some of those data gaps. The extensive team of MSCI ESG Analysts reviews public climate reporting and data to provide their services to Pie Funds and other clients. However, MSCI data also relies on the quality of underlying data which can be low, and MSCI outputs based on proprietary methodologies need to be considered for relevance and reliability as well.

6.2.2 Likelihood of climate-related risks and opportunities

This section explains the methodology used to identify and ascribe a “likelihood rating” to climate-related risks and opportunities for each Fund covered. As part of the Climate Workshop Series, Pie Funds discussed and identified potential climate related risks and opportunities and their likelihood of occurring, taking into account sector and geographical focus based on the current portfolio as a proxy for the future.

In each Fund Summary below, a likelihood of a climate related risk or opportunity arising over the short, medium and long-term time horizon has been shown as follows:



These likelihood ratings are no more than a considered opinion and should not be construed as a projection or forecast of any sort.

Basis of preparation

The categories of risk and opportunities in the chart below draw from Table C in section 3.4 of these Climate Statements and attempt to illustrate a qualitative assessment of the relative likelihood of those risks and opportunities for the Funds over the short, medium, and long term (noting that these refer to the same time horizons as used for scenario

analysis, as described in section 3.3.4 of these Climate Statements). This assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3. We note that the Delayed Transition assumes very little policy action until 2030 but for these purposes the Core Climate Stakeholder Group did touch on opportunities and risks that are supported in part by recent policies such as under the European Green Deal and the Inflation Reduction Act.

As XRB noted in MIS Manager Guidance, this presentation of potential impacts of climate-related risks and opportunities on the Fund is a “considered opinion” only. This opinion has been formed by the Core Climate Stakeholder Group having followed the methodology for identifying and discussing climate-related risks and opportunities, as described in section 3.4 of these Climate Statements. The Fund geographical and sector allocation as illustrated above have been considered during qualitative assessment. In addition, common sense is applied - for example, physical risks increase to “likely” in almost all cases by 2050, as physical climate risks become increasingly severe.

6.2.3 Time horizons of climate-related risks and opportunities

The time horizons used to consider climate-related risks and opportunities are noted as “short”, “medium” and “long” term. These time periods align to those used for climate-related scenario analysis as set out in section 3 (Strategy) of these Climate Statements, and the strategic planning horizons noted.

This is a new area and approach for Pie Funds and for this reporting year there has not been integration of these defined time horizons into investment plans in relation to the funds.

▶ 6.3.1 PIE KIWISAVER CONSERVATIVE FUND

1. Introduction

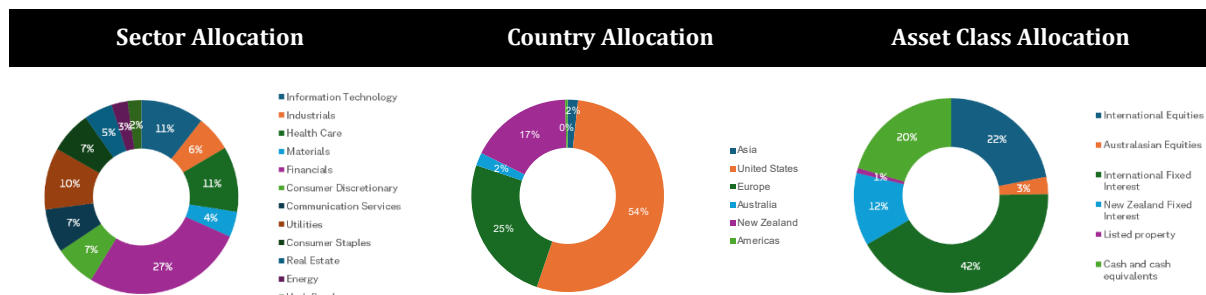
This section provides content in relation to Pie KiwiSaver Conservative Fund (referred to as the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics and Targets) of these Climate Statements.

2. Strategy of Pie KiwiSaver Conservative Fund

The Pie KiwiSaver Conservative Fund seeks to preserve members’ capital, with modest capital growth over a period exceeding 3 years. The Fund invests primarily in fixed interest and cash, with an allocation to equities, directly and/or through the Balanced Fund and/or through other funds also managed by the Manager. The Manager chooses individual assets (such as term deposits, equities, and bonds) or uses ETFs or derivatives to get a broad selection of the desired and permitted assets, as efficiently as possible.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 128.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in Section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.11 (vs benchmark 2.10), noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation.)
- For the Morrison & Co High Conviction Infra Aus Feeder NZH fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 303 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 12.1 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 40.7 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 79.4% |
| Companies with SBTi approved targets | 34.8% |
| Fossil Fuel based revenue exposure | 6.8% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.1% | -0.3% |
| Coastal Flooding | -0.2% | -0.5% |
| River Low Flow | 1.3% | -11.5% |
| Total Physical VaR | -0.3% | -1.0% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 14.0% |
| Exposure to Green Revenue | 29.8% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 94.0% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 94.0% |
| Physical VaR | 60.1% |
| Exposure to Low Carbon Solution | 97.1% |
| Exposure to Green Revenue | 97.2% |

▶ 6.3.2 PIE KIWISAVER BALANCED FUND

1. Introduction

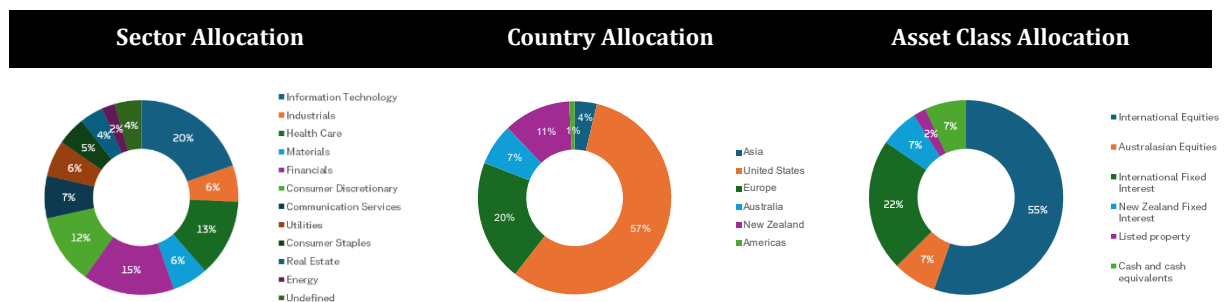
This section provides content in relation to Pie KiwiSaver Balanced Fund (referred to as the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie KiwiSaver Balanced Fund

The Pie KiwiSaver Balanced Fund seeks to provide members with steady capital growth over a period exceeding 5 years. The Fund invests in equities with a reasonable allocation towards fixed interest, directly and/or through investment in the Growth Fund and/or through other funds also managed by the Manager. The Manager chooses individual assets (e.g. term deposits, equities, and bonds) or uses ETFs or derivatives to get a broad exposure to desired and permitted assets, as efficiently as possible.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 128.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.11 (vs benchmark 2.10), noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation.)
- For the Morrison & Co High Conviction Infra Aus Feeder NZH fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 770 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 11.6 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 42.3 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 85.6% |
| Companies with SBTi approved targets | 37.4% |
| Fossil Fuel based revenue exposure | 5.6% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.2% | -0.7% |
| Coastal Flooding | -0.3% | -1.0% |
| Total Physical VaR | -0.5% | -2.0% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 12.8% |
| Exposure to Green Revenue | 38.6% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 93.5% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 93.5% |
| Physical VaR | 76.0% |
| Exposure to Low Carbon Solution | 95.0% |
| Exposure to Green Revenue | 94.4% |

▶ 6.3.3 PIE KIWISAVER GROWTH FUND

1. Introduction

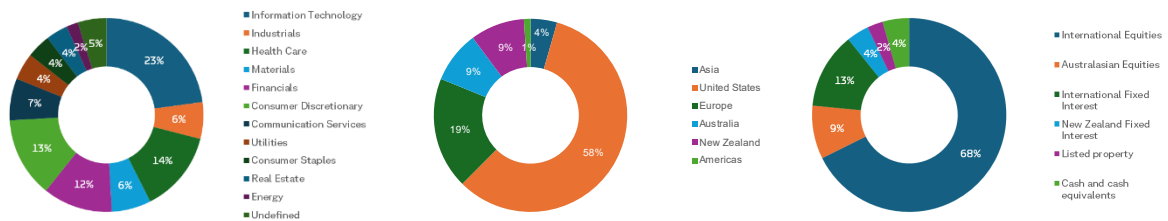
This section provides content in relation to Pie KiwiSaver Growth Fund (referred to as the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie KiwiSaver Growth Fund

The Pie KiwiSaver Growth Fund seeks to maximise capital growth for members over a period exceeding 7 years. The Fund invests primarily in International and Australasian equities with a focus on globally known brands, along with cash and fixed interest exposure, directly and/or through investment in other funds also managed by the Manager. The Manager can also invest in ETFs and derivatives.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 128.



Sector Allocation

Country Allocation

Asset Class Allocation

**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalent holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.11 (vs benchmark 2.15), noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation.)
- For the Morrison & Co High Conviction Infra Aus Feeder NZH fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 5,404 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 10.6 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 39.9 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 82.2% |
| Companies with SBTi approved targets | 35.8% |
| Fossil Fuel based revenue exposure | 4.6% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.2% | -0.7% |
| Coastal Flooding | -0.4% | -1.1% |
| River Low Flow | 1.4% | -13.1% |
| Total Physical VaR | -0.6% | -2.2% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 13.5% |
| Exposure to Green Revenue | 36.9% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 93.4% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 93.4% |
| Physical VaR | 81.8% |
| Exposure to Low Carbon Solution | 94.2% |
| Exposure to Green Revenue | 95.2% |

▶ 6.3.4 PIE AUSTRALASIAN GROWTH FUND

1. Introduction

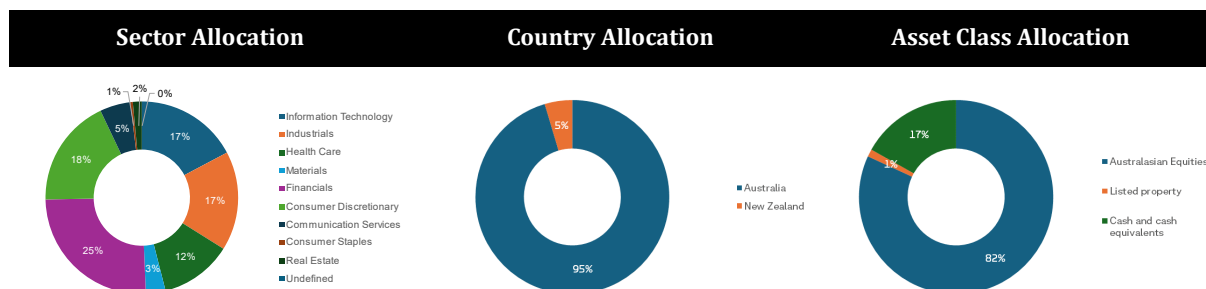
This section provides content in relation to Pie Australasian Growth Fund (referred to as “AG” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Australasian Growth Fund

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.

3. Overview of Fund holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 26.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks an opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 3.46, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2. (Data Limitations) of these Climate Statements for further explanation).

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|--------|-------|--------------------|
|--------|-------|--------------------|

| | | |
|-------------------------------------------------------|--------------|-----|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 661 |
| Carbon Footprint / tCO ₂ e/ \$m invested | Scope 1 & 2* | 7.1 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|---------------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 21.9 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|-----------------------|
| Companies with GHG emission reduction targets | 7.6% |
| Companies with SBTi approved targets | 0.0% |
| Fossil Fuel based revenue exposure | 1.4% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|-----------------------------------|-------------------------------------|
| Extreme Heat | -0.6% | -2.9% |
| Coastal Flooding | -1.8% | -6.0% |
| Extreme Wind | -0.1% | -0.8% |
| Total Physical VaR | -2.4% | -9.1% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 0.0% |
| Exposure to Green Revenue | 4.2% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 34.4% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 34.4% |
| Physical VaR | 29.6% |
| Exposure to Low Carbon Solution | 34.4% |
| Exposure to Green Revenue | 31.1% |

▶ 6.3.5 PIE AUSTRALASIAN GROWTH 2 FUND

1. Introduction

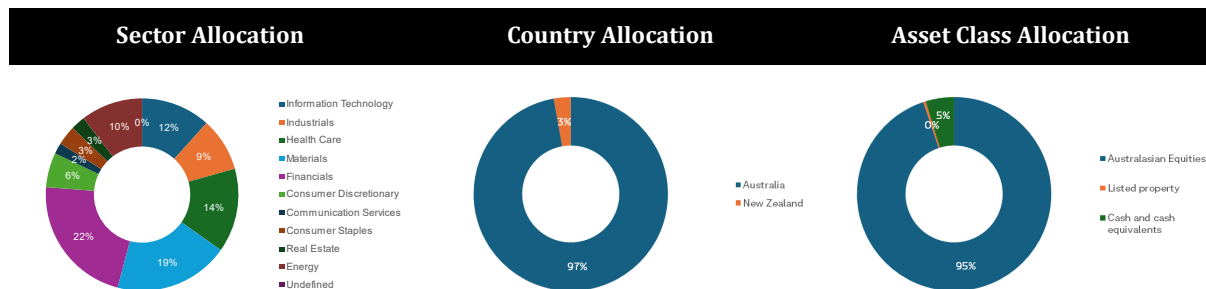
This section provides content in relation to Pie Australasian Growth 2 Fund (referred to as “AG2” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Australasian Growth 2 Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 31.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.68, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation.)

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statement for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|--------|-------|--------------------|
|--------|-------|--------------------|

| | | |
|-------------------------------------------------------|--------------|-------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 9,066 |
| Carbon Footprint / tCO ₂ e/ \$m invested | Scope 1 & 2* | 34.6 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|---------------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 65.7 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|-----------------------|
| Companies with GHG emission reduction targets | 38.4% |
| Companies with SBTi approved targets | 2.9% |
| Fossil Fuel based revenue exposure | 7.1% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|-----------------------------------|-------------------------------------|
| Extreme Heat | -0.3% | -1.1% |
| Coastal Flooding | -0.3% | -0.6% |
| Total Physical VaR | -0.6% | -1.9% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 2.7% |
| Exposure to Green Revenue | 26.0% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 83.4% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 83.4% |
| Physical VaR | 68.5% |
| Exposure to Low Carbon Solution | 83.4% |
| Exposure to Green Revenue | 83.4% |

▶ 6.3.6 PIE AUSTRALASIAN DIVIDEND GROWTH FUND

1. Introduction

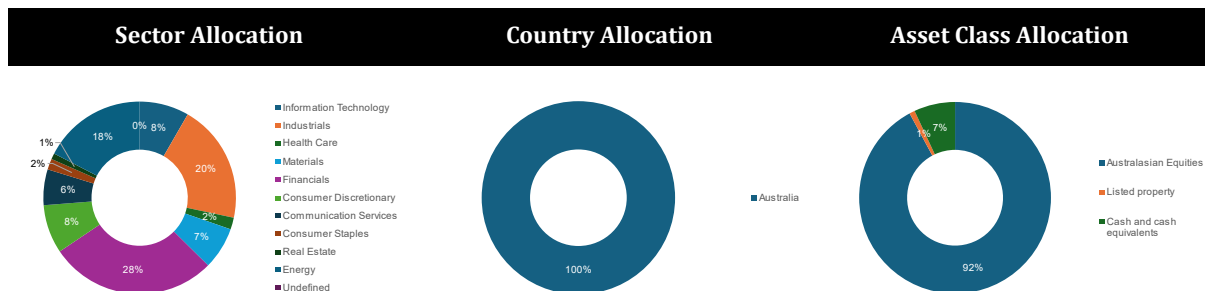
This section provides content in relation to Pie Australasian Dividend Growth Fund (referred to as “DIV” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Australasian Dividend Growth Fund

The Australasian Dividend Growth Fund seeks to provide investors with a regular distribution payment stream or reinvestment and long-term capital growth. The Australasian Dividend Growth Fund does this by investing predominantly in a concentrated portfolio of handpicked 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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 33.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 3.22, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statement for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 7,210 |

Carbon Footprint / tCO₂e / \$m invested

Scope 1 & 2*

19.7

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 39.5 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 15.0% |
| Companies with SBTi approved targets | 0.0% |
| Fossil Fuel based revenue exposure | 7.0% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.4% | -1.5% |
| Coastal Flooding | -0.2% | -2.0% |
| Total Physical VaR | -0.5% | -3.5% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 0.0% |
| Exposure to Green Revenue | 12.0% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|--------------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 73.6% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 73.5% |
| Physical VaR | 47.0% |
| Exposure to Low Carbon Solution | 73.5% |
| Exposure to Green Revenue | 75.2% |

▶ **6.3.7 PIE AUSTRALASIAN EMERGING COMPANIES FUND**

1. Introduction

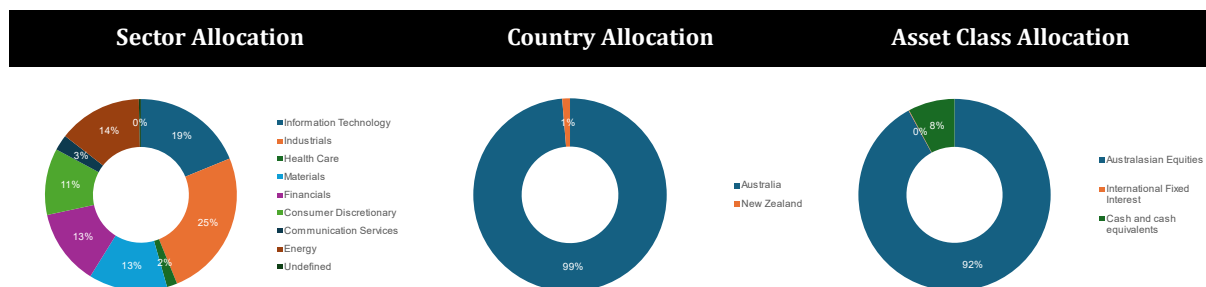
This section provides content in relation to Pie Australasian Emerging Companies Fund (referred to as “ECF” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Australasian Emerging Companies Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 37.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalent holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.65, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|--------|-------|--------------------|
|--------|-------|--------------------|

| | | |
|-------------------------------------------------------|--------------|-------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 1,917 |
| Carbon Footprint / tCO ₂ e/ \$m invested | Scope 1 & 2* | 15.1 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|---------------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 69.1 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|-----------------------|
| Companies with GHG emission reduction targets | 6.7% |
| Companies with SBTi approved targets | 0.0% |
| Fossil Fuel based revenue exposure | 0.0% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|-----------------------------------|-------------------------------------|
| Extreme Heat | -2.0% | -7.7% |
| Extreme Wind | -0.8% | -2.7% |
| Total Physical VaR | -2.8% | -10.2% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 0.0% |
| Exposure to Green Revenue | 9.2% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 32.9% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 32.9% |
| Physical VaR | 20.7% |
| Exposure to Low Carbon Solution | 32.0% |
| Exposure to Green Revenue | 32.0% |

▶ 6.3.8 PIE GLOBAL GROWTH FUND

1. Introduction

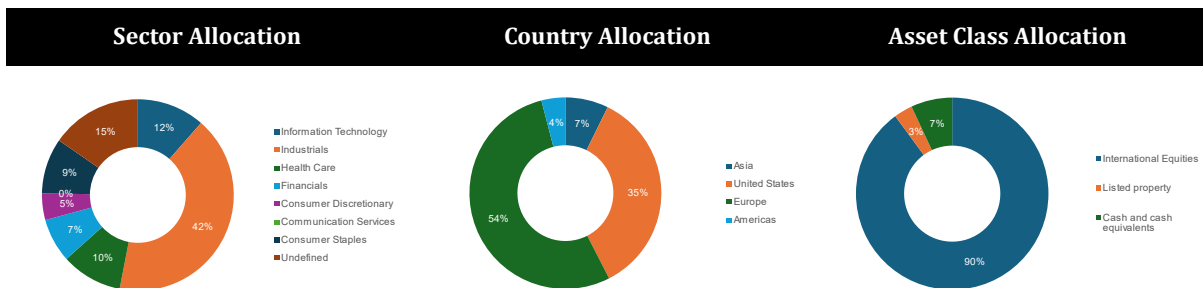
This section provides content in relation to Pie Global Growth Fund (referred to as “GG” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Global Growth Fund

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

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 29.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.38 noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).
- For the William Blair SICAV - EMK SMC I Class fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 5,408 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 21.5 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 36.6 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that the William Blair SICAV - EMK SMC I Class fund is considered and included as one Investee for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 34.9% |
| Companies with SBTi approved targets | 16.3% |
| Fossil Fuel based revenue exposure | 0.02% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.4% | -1.8% |
| Coastal Flooding | -1.8% | -4.5% |
| Total Physical VaR | -2.2% | -6.4% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the William Blair SICAV - EMK SMC I Class fund is considered and included as one Investee for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 0.4% |
| Exposure to Green Revenue | 29.0% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 86.1% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 86.1% |
| Physical VaR | 72.4% |
| Exposure to Low Carbon Solution | 86.0% |
| Exposure to Green Revenue | 86.4% |

▶ 6.3.9 PIE GLOBAL GROWTH 2 FUND

1. Introduction

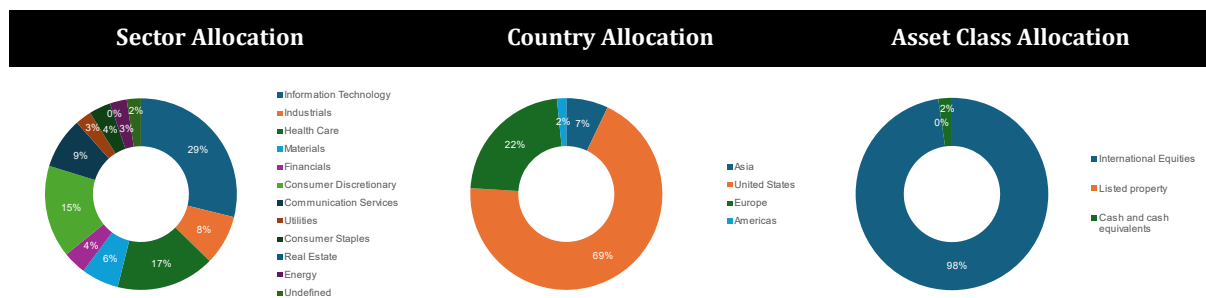
This section provides content in relation to Pie Global Growth 2 Fund (referred to as “GG2” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Global Growth 2 Fund

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

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 45.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.09 noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).
- For the William Blair SICAV - EMK SMC I Class fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 1,298 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 10.0 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 35.6 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that the William Blair SICAV - EMK SMC I Class fund is considered and included as one Investee for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 86.5% |
| Companies with SBTi approved targets | 42.1% |
| Fossil Fuel based revenue exposure | 5.5% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.3% | -1.1% |
| Coastal Flooding | -0.5% | -1.5% |
| Total Physical VaR | -0.8% | -6.1% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the William Blair SICAV - EMK SMC I Class fund is considered and included as one Investee for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 12.8% |
| Exposure to Green Revenue | 41.3% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 97.9% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 97.9% |
| Physical VaR | 95.7% |
| Exposure to Low Carbon Solution | 97.9% |
| Exposure to Green Revenue | 98.1% |

▶ 6.3.10 PIE GROWTH UK & EUROPE FUND

1. Introduction

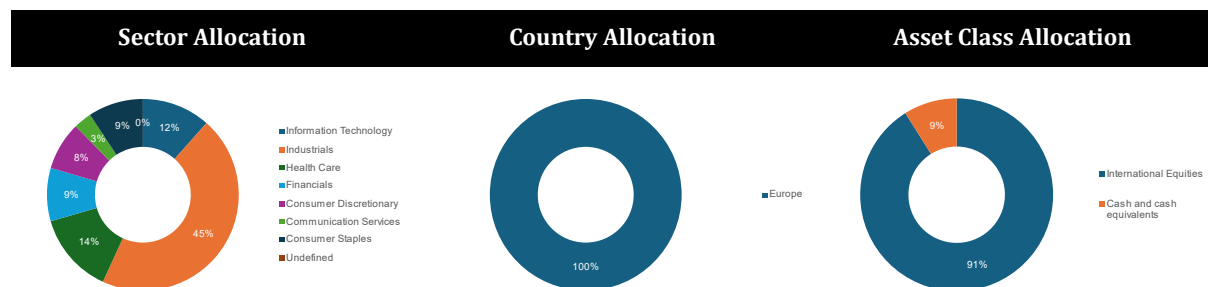
This section provides content in relation to Pie Growth UK & Europe Fund (referred to as “UKE” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Growth UK & Europe Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 27.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalent holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.14 noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|--------|-------|--------------------|
|--------|-------|--------------------|

| | | |
|-------------------------------------------------------|--------------|-----|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 882 |
| Carbon Footprint / tCO ₂ e/ \$m invested | Scope 1 & 2* | 7.4 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|---------------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 15.0 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|-----------------------|
| Companies with GHG emission reduction targets | 51.0% |
| Companies with SBTi approved targets | 23.1% |
| Fossil Fuel based revenue exposure | 0.0% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|-----------------------------------|-------------------------------------|
| Extreme Heat | -0.3% | -1.1% |
| Coastal Flooding | -2.5% | -7.2% |
| Total Physical VaR | -2.7% | -8.1% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 0.0% |
| Exposure to Green Revenue | 17.9% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 80.4% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 80.4% |
| Physical VaR | 66.1% |
| Exposure to Low Carbon Solution | 80.4% |
| Exposure to Green Revenue | 80.4% |

▶ 6.3.11 PIE CONSERVATIVE FUND

1. Introduction

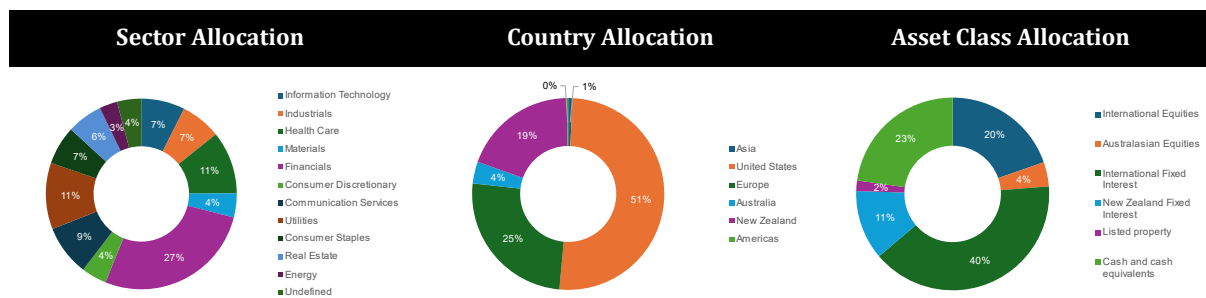
This section provides content in relation to Pie Conservative Fund (referred to as “CON” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Conservative Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 181.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalent holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.10, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).
- For the William Blair SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund, we employed an aggregate approach. This approach is based on the weighting of the holdings and the underlying weights of the companies invested in by the funds, rather than examining the individual investee companies directly. We considered this as individual Investees in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 2,495 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 13.8 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 43.9 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics note that the William Blair SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund are considered and included as individual Investees for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 75.7% |
| Companies with SBTi approved targets | 34.2% |
| Fossil Fuel based revenue exposure | 7.8% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.1% | -0.4% |
| Coastal Flooding | -0.3% | -0.8% |
| Fluvial Flooding | 0.0% | -0.2% |
| River Low Flow | 0.8% | -9.5% |
| Total Physical VaR | -0.4% | -1.5% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the William Blair SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund are considered and included as individual investees for the metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 13.2% |
| Exposure to Green Revenue | 29.2% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|--------------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 94.1% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 94.1% |
| Physical VaR | 59.4% |
| Exposure to Low Carbon Solution | 97.3% |
| Exposure to Green Revenue | 97.5% |

▶ 6.3.12 PIE CHAIRMAN’S FUND

1. Introduction

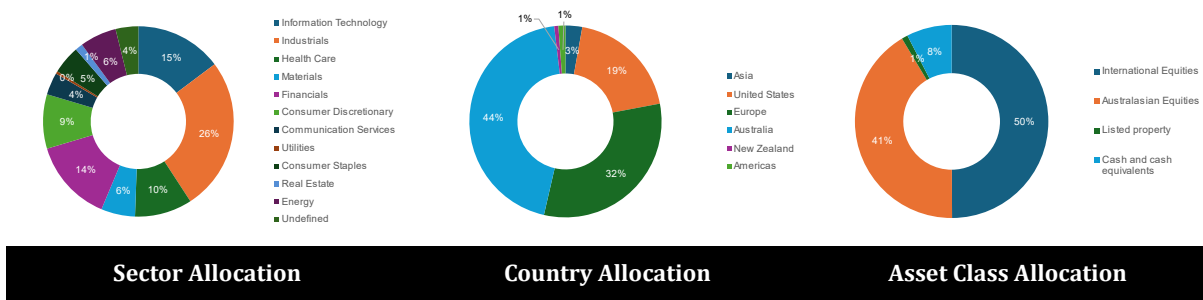
This section provides content in relation to Pie Chairman’s Fund (referred to as “CHM “ or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Chairman’s Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 180.



**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in Section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.51, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).
- For the William Blair SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund, we employed an aggregate approach. This approach is based on the weighting of the holdings and the underlying weights of the companies invested in by the funds, rather than examining the individual investee companies directly. We considered this as individual Investees in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio of as **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 4,293 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 18.6 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 40.4 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics note that the William Blair SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund are considered and included as individual Investees for all three metrics.

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 40.7% |
| Companies with SBTi approved targets | 15.5% |
| Fossil Fuel based revenue exposure | 3.8% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.4% | -1.8% |
| Coastal Flooding | -1.2% | -3.7% |
| Total Physical VaR | -1.7% | -5.6% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that the William Blair

SICAV - EMK SMC I Class fund and the Morrison & Co High Conviction Infra Aus Feeder NZH fund are considered and included as individual Investees for the metrics.

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 2.4% |
| Exposure to Green Revenue | 23.7% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 75.1% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 75.1% |
| Physical VaR | 61.4% |
| Exposure to Low Carbon Solution | 75.0% |
| Exposure to Green Revenue | 75.1% |

▶ 6.3.13 PIE FIXED INCOME FUND

1. Introduction

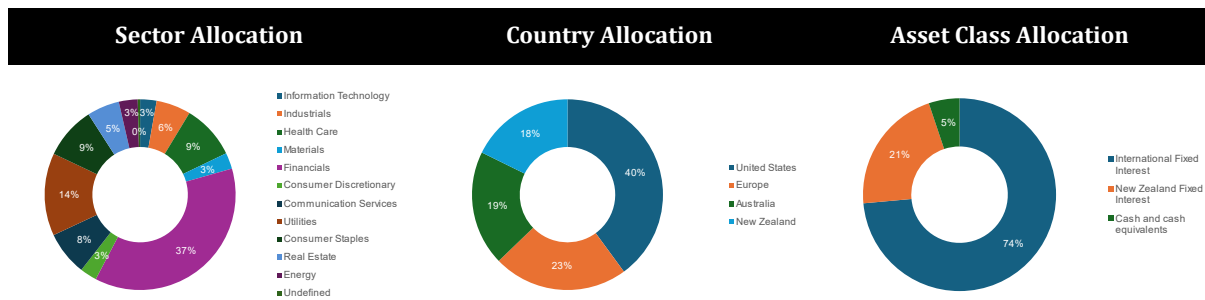
This section provides content in relation to Pie Fixed Income Fund (referred to as “INC” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Fixed Income Fund

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.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 56.



*Sector Allocation and Country Allocation excludes any Cash and Cash Equivalents holdings.

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Unlikely | Possible | Likely |
|----------|----------|--------|
| ▲ | ▲ | ▲ |

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.07, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of 31 March 2024.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|--------|-------|--------------------|
|--------|-------|--------------------|

| | | |
|-------------------------------------------------------|--------------|-------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 3,336 |
| Carbon Footprint / tCO ₂ e/ \$m invested | Scope 1 & 2* | 15.8 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|---------------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 50.2 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics.

| Category | % of portfolio |
|-----------------------------------------------|-----------------------|
| Companies with GHG emission reduction targets | 95.4% |
| Companies with SBTi approved targets | 41.8% |
| Fossil Fuel based revenue exposure | 9.6% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

MSCI's Physical VaR data appears not accurately linked to bond identifiers. This is evidenced by the fact that the Physical VaR for the same company returns a value of 0 when searched by the bond identifier, while it returns a non-zero value when searched by the equity identifier. This issue likely arises as it is still in the early stages for MSCI to provide Climate VaR data, and the number of bond identifiers is vast compared to equity identifiers.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|-----------------------------------|-------------------------------------|
| Total Physical VaR | 0.0% | 0.0% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics.

| Category | % of portfolio |
|---------------------------------|-----------------------|
| Exposure to Low Carbon Solution | 6.8% |
| Exposure to Green Revenue | 16.7% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | 98.1% |
| 2) Carbon Footprint | |
| 3) WACI | |
| Companies with GHG emission reduction targets | 98.1% |
| Physical VaR | 96.3% |
| Exposure to Low Carbon Solution | 98.1% |
| Exposure to Green Revenue | 99.0% |

6.3.14 PIE PROPERTY AND INFRASTRUCTURE FUND

1. Introduction

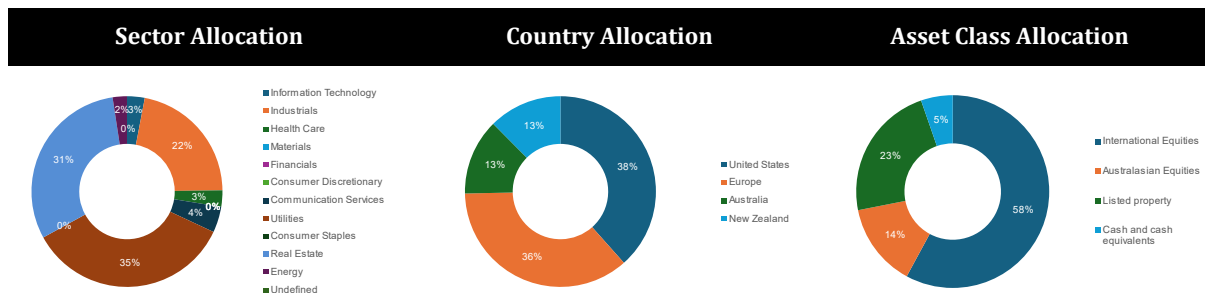
This section provides content in relation to Pie Property and Infrastructure Fund (referred to as “PNI” or the “Fund” in this section) in respect of the reporting period from 1 April 2023 to 31 March 2024. This section supplements section 3 (Strategy) and section 4 (Metrics) of these Climate Statements.

2. Strategy of Pie Property and Infrastructure Fund

The Property and Infrastructure Fund seeks to provide investors with long-term capital growth by investing predominantly in Listed Property and Infrastructure Securities, directly and/or through externally managed funds.

3. Overview of Fund Holdings

An overview of the Fund’s holdings, by sector and geography as of 31 March 2024 are shown in the charts below. As of 31 March 2024, the total number of Investees in the portfolio was 26.



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**Sector Allocation and Country Allocation excludes any Cash and Cash Equivalent holdings.*

4. Climate-related risks and opportunities

There is considerable uncertainty about the timing and scale of climate-related risks. The very high-level descriptions of climate-related risks and opportunities in the chart below and the likelihood of risks as ranging from “unlikely” to “possible” to “likely” can be considered as general commentary only about possible outcomes, based on the current portfolio as a proxy for a future portfolio, and is in no sense a forecast.

The below assessment of likelihood is based loosely on the plausible future described in the Delayed Transition scenario, representing a middle ground between Net Zero 2050 and NDC Aggressive scenario described in section 3.3.3.

| Risk or Opportunity | Time frame / Impact | | |
|---------------------------------|---------------------|--------|------|
| | Short | Medium | Long |
| TRANSITION OPPORTUNITIES | | | |
| Technology | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| TRANSITION RISKS | | | |
| Policy Risk | ▲ | ▲ | ▲ |
| Stranded Assets | ▲ | ▲ | ▲ |
| Consumer Preference Change | ▲ | ▲ | ▲ |
| Litigation Risk | ▲ | ▲ | ▲ |
| PHYSICAL RISKS * | | | |
| Coastal Flooding | ▲ | ▲ | ▲ |
| Extreme Heat | ▲ | ▲ | ▲ |
| Wildfires | ▲ | ▲ | ▲ |

* These physical risks are indicated by information provided by MSCI based on the current portfolio and its proprietary Asset Location Database. The underlying data points are unavailable. However, given the known risks of these types of physical risk, which will worsen over time, Pie Funds has used MSCI information to compile this content.

5. Anticipated Impacts

Exposure to climate related risks and/or climate-related opportunities identified above could, as with exposure to other investment risks and opportunities, impact the value of the Fund. Financial impact on the Fund can likewise affect the value of a client's units in the Fund and the ultimate return of a client investing in the Fund. At an extreme level, the liquidity of the Fund could be negatively impacted.

6. Metrics

To aid the reader in understanding the data quality and availability in relation to this Fund, we note that:

- The PCAF weighted data quality score is 2.12, noting that the scale is 1 – 5 with 1 being the highest quality score (please see section 6.2 (Data Limitations) of these Climate Statements for further explanation).
- For the Morrison & Co High Conviction Infra Aus Feeder NZH fund, one of the holdings, we employed an aggregate approach. This approach is based on the weighting of the holding and the underlying weights of the companies invested in by the fund, rather than examining the individual investee companies directly. We considered this as one Investee in calculating the metrics.

The metrics below are all based on data provided by MSCI based on the Fund portfolio as of **31 March 2024**.

GHG emissions (paragraph 22(a) of NZ CS 1)

The GHG emissions for the Fund are set out below. Note that Pie Funds discloses Carbon Footprint for each Fund as well as Total Financed Carbon Emissions, because Carbon Footprint will provide a more comparable metric in future years. Please see section 5.1.3 of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-------------------------------------------------------|--------------|--------------------|
| Total Financed Carbon Emissions / MtCO ₂ e | Scope 1 & 2* | 2,656 |
| Carbon Footprint / tCO ₂ e / \$m invested | Scope 1 & 2* | 46.9 |

GHG emissions intensity (paragraph 22(b) of NZ CS 1)

The GHG emissions intensity for the Fund is set out below. Please see sections 5.1.1 and 5.5. (GHG emissions methodology) of these Climate Statements for an explanation of relevant terms and methodology.

| Metric | Scope | FY24 (not assured) |
|-----------------------------------------------------------------------------|--------------|--------------------|
| Weighted Average Carbon Intensity (WACI) / tCO ₂ e / \$m revenue | Scope 1 & 2* | 178.3 |

Amount or percentage of assets or business activities vulnerable to transition risks (paragraph 22(c) of NZ CS 1)

Three metrics that relate to the number of companies within the Fund portfolio that may be considered vulnerable to transition risks are set out below. Please see section 5.1.3 of these Climate Statements for an explanation of these metrics and note that Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for all three metrics

| Category | % of portfolio |
|-----------------------------------------------|----------------|
| Companies with GHG emission reduction targets | 86.9% |
| Companies with SBTi approved targets | 50.6% |
| Fossil Fuel based revenue exposure | 28.2% |

Amount or percentage of assets or business activities vulnerable to physical risks (paragraph 22(d) of NZ CS 1)

The metrics below show Physical VaR estimates provided by MSCI on the basis of the Net Zero 2050 scenario (for the minimum level) and Nationally Determined Contributions (NDC) Aggressive scenario (for the maximum level), both as described in section 3 (Strategy) of these Climate Statements. Please see section 5.1.4 for an explanation of this metric.

The categories of Physical risk selected below are those that were determined to be material under the Net Zero 2050 Scenario. In addition, we include Total Physical VaR, as provided by MSCI, which includes the categories listed as well as the Physical VaR for other categories of physical risk which were calculated by MSCI as less than 0.5%.

Please note also that MSCI does not provide Physical VaR for Wildfire risk.

| Category | Min Based on Net Zero 2050 | Max Based on NDCs Aggressive |
|--------------------|----------------------------|------------------------------|
| Extreme Heat | -0.2% | -1.0% |
| Coastal Flooding | -1.6% | -4.9% |
| Tropical Cyclones | 0.0% | -0.5% |
| River Low Flow | 0.1% | -1.5% |
| Fluvial Flooding | -0.3% | -2.0% |
| Total Physical VaR | -2.1% | -9.3% |

Amount or percentage of assets, or business activities aligned with climate-related opportunities (paragraph 22(e) of NZ CS 1)

Two metrics that relate to the percentage of the Fund's portfolio that aligned with climate-related opportunities are set out below. Please see 5.1.5 of this Climate Statement for an explanation of these metrics and note that Morrison & Co High Conviction Infra Aus Feeder NZH fund is considered and included as one Investee for the metrics

| Category | % of portfolio |
|---------------------------------|----------------|
| Exposure to Low Carbon Solution | 15.0% |
| Exposure to Green Revenue | 72.1% |

Coverage Rate

Please note that the coverage rates below do not consider cash weighting, as the information represents data covered for our investments.

| Category | Weighted % of Investees |
|-----------------------------------------------|-------------------------|
| GHG Emission including: | |
| 1) Total Financed Carbon Emissions | |
| 2) Carbon Footprint | 97.8% |
| 3) WACI | |
| Companies with GHG emission reduction targets | 97.8% |
| Physical VaR | 93.5% |
| Exposure to Low Carbon Solution | 97.8% |
| Exposure to Green Revenue | 100.0% |

▶ APPENDIX A

Scenario 1 - Net Zero 2050 – Drivers of Change

| ENVIRONMENTAL OUTCOMES | EMISSION PATHWAYS |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Global average temperature increases +1.48°C by 2030, +1.55°C by 2050, and +1.38°C by 2100</p> <p>Global concentration of CO2 (% change relative to PPM in 2020) 433 ppm (+3.75%) by 2030, 429 ppm (+2.74%) by 2050, and 403 ppm (-3.34%) by 2100</p> | <p>Net Emissions</p> <ul style="list-style-type: none"> Global: 23.4Bt CO₂/yr by 2030, 2.4Bt CO₂/yr by 2050, and -3.5Bt CO₂/yr by 2100 US: 1,988Mt CO₂/yr by 2030, -523Mt CO₂/yr by 2050, and -533Mt CO₂/yr by 2100 Europe: 1,859Mt CO₂/yr by 2030, -384Mt CO₂/yr by 2050, and -365Mt CO₂/yr by 2100 Canada, AU, NZ: 439Mt CO₂/yr by 2030, -255Mt CO₂/yr by 2050, and -352Mt CO₂/yr by 2100 |
| ECONOMIC OUTCOMES | SOCIAL OUTCOMES |
| <p>GDP PPP (% loss due to 'chronic' physical risk and policy risk)</p> <ul style="list-style-type: none"> Global: \$161tn (-0.85%, -0.68%) by 2030, \$252tn (-1.09%, -1.32%) by 2050, and \$609tn (-0.63%, -0.48%) by 2100 US: \$23.0tn (-0.56%, -0.50%) by 2030, \$29.3tn (-0.76%, -0.33%) by 2050, and \$48.0tn (-0.43%, -0.04%) by 2100 Europe: \$23.8tn (-0.43%, -0.37%) by 2030, \$31.8tn (-0.52%, -1.00%) by 2050, and \$65.8tn (-0.27%, +0.09%) by 2100 Canada, AU, NZ: \$3.7tn (-0.23%, -0.89%) by 2030, \$5.2tn (-0.30%, +0.31%) by 2050, and \$11.9tn (-0.12%, -0.09%) by 2100 | <p>Population</p> <ul style="list-style-type: none"> Global: 8.5bn by 2030, 9.4bn by 2050, and 9.3bn by 2100 US: 350mn by 2030, 388mn by 2050, and 483mn by 2100 Europe: 641mn by 2030, 644mn by 2050, and 618mn by 2100 Canada, AU, NZ: 75mn by 2030, 84mn by 2050, and 109mn by 2100 <p>Consumption</p> <ul style="list-style-type: none"> Global: \$53.3tn by 2030, \$81.1tn by 2050, and \$202tn by 2100 US: \$13.4tn by 2030, \$21.3tn by 2050, and \$43.3tn by 2100 Europe: \$15.3tn by 2030, \$21.9tn by 2050, and \$57.9tn by 2100 Canada, AU, NZ: \$1.79tn by 2030, \$2.97tn by 2050, and \$10.1tn by 2100 |
| POLICY OUTCOMES | TECHNOLOGY OUTCOMES |
| <p>Carbon price</p> <ul style="list-style-type: none"> Global: \$115 by 2030, \$451 by 2050, and \$540 by 2100 US: \$163 by 2030, \$494 by 2050, and \$540 by 2100 Europe: \$155 by 2030, \$657 by 2050, and \$540 by 2100 Canada, AU, NZ: \$163 by 2030, \$742 by 2050, and \$540 by 2100 | <p>% of Renewable Electricity of Total Electricity produced</p> <ul style="list-style-type: none"> Global: 81.7% by 2030, 96.0% by 2050, and 96.2% in 2100 US: 85.8% by 2030, 94.6% by 2050, and 96.1% in 2100 Europe: 89.9% by 2030, 95.5% by 2050, and 96.3% in 2100 Canada, AU, NZ: 96.9% by 2030, 94.9% by 2050, and 97.8% in 2100 |

Carbon Tax

- Global: \$2,396bn by 2030, \$114bn by 2050, and -\$30bn by 2100
- US: \$330bn by 2030, -\$278bn by 2050, and -\$118bn by 2100
- Europe: \$149bn by 2030, -\$94bn by 2050, and -\$76bn by 2100
- Canada, AU, NZ: \$69bn by 2030, -\$152bn by 2050, and -\$6bn by 2100

% of Renewable Energy of Total Energy produced

- Global: 23.0% by 2030, 51.9% by 2050, and 73.2% in 2100
- US: 29.5% by 2030, 50.3% by 2050, and 76.4% in 2100
- Europe: 25.4% by 2030, 46.1% by 2050, and 68.9% in 2100
- Canada, AU, NZ: 28.8% by 2030, 43.5% by 2050, and 76.9% in 2100

Carbon Sequestration (Mt CO₂/yr)

- Global: 1,004 by 2030, 7,800 by 2050, and 10,011 by 2100
- US: 302 by 2030, 1,026 by 2050, and 702 by 2100
- Europe: 106 by 2030, 428 by 2050, and 296 by 2100
- Canada, AU, NZ: 82 by 2030, 431 by 2050, and 497 by 2100

Scenario 2 – Disorderly Transition*

ENVIRONMENTAL OUTCOMES
Global average temperature increases

+1.84°C by 2030, +2.37°C by 2050, and +2.38°C by 2100

Global concentration of CO₂ (% change relative to PPM in 2020)

442 ppm (+6.04%) by 2030, 452 ppm (+8.28%) by 2050, and 439 ppm (+5.13%) by 2100

EMISSION PATHWAYS
Net Emissions

- Global: 41.8Bt CO₂/yr by 2030, 6.7Bt CO₂/yr by 2050, and 2.4Bt CO₂/yr by 2100
- US: 3,644Mt CO₂/yr by 2030, -516Mt CO₂/yr by 2050, and -37Mt CO₂/yr by 2100
- Europe: 3,215Mt CO₂/yr by 2030, -162Mt CO₂/yr by 2050, and -82Mt CO₂/yr by 2100
- Canada, AU, NZ: 772Mt CO₂/yr by 2030, -226Mt CO₂/yr by 2050, and 0.0Mt CO₂/yr by 2100

ECONOMIC OUTCOMES
GDP|PPP (% loss due to 'chronic' physical risk and policy risk)

- Global: \$162tn (-1.96%, 0.0%) by 2030, \$241tn (-4.76%, -1.55%) by 2050, and \$576tn (-5.66%, -0.65%) by 2100
- US: \$22.9tn (-1.60%, 0.0%) by 2030, \$28.3tn (-3.92%, -0.68%) by 2050, and \$46.1tn (-4.29%, -0.27%) by 2100
- Europe: \$23.8tn (-1.09%, 0.0%) by 2030, \$31.0tn (-2.42%, -1.45%) by 2050, and \$64.0tn (-2.67%, -0.32%) by 2100
- Canada, AU, NZ: \$3.7tn (-1.03%, 0.0%) by 2030, \$5.0tn (-2.60%, -0.99%) by 2050, and \$11.5tn (-2.85%, -1.07%) by 2100

SOCIAL OUTCOMES
Population

- Global: 8.5bn by 2030, 9.4bn by 2050, and 9.3bn by 2100
- US: 350mn by 2030, 388mn by 2050, and 483mn by 2100
- Europe: 641mn by 2030, 644mn by 2050, and 618mn by 2100
- Canada, AU, NZ: 75mn by 2030, 84mn by 2050, and 109mn by 2100

Consumption

- Global: \$55.4tn by 2030, \$80.9tn by 2050, and \$202tn by 2100
- US: \$13.6tn by 2030, \$21.3tn by 2050, and \$43.3tn by 2100
- Europe: \$15.6tn by 2030, \$21.7tn by 2050, and \$57.8tn by 2100
- Canada, AU, NZ: \$1.92tn by 2030, \$2.92tn by 2050, and \$10.1tn by 2100

POLICY OUTCOMES
Carbon price

- Global: \$6.02 by 2030, \$386 by 2050, and \$343 by 2100
- US: \$17.8 by 2030, \$738 by 2050, and \$343 by 2100
- Europe: \$7.87 by 2030, \$652 by 2050, and \$343 by 2100
- Canada, AU, NZ: \$14.8 by 2030, \$814 by 2050, and \$343 by 2100

Carbon Tax

- Global: \$197bn by 2030, \$544bn by 2050, and \$1,133bn by 2100
- US: \$72bn by 2030, -\$359bn by 2050, and \$23bn by 2100
- Europe: \$76bn by 2030, \$41bn by 2050, and \$33bn by 2100
- Canada, AU, NZ: \$12bn by 2030, -\$139bn by 2050, and \$17bn by 2100

TECHNOLOGY OUTCOMES
% of Renewable Electricity of Total Electricity produced

- Global: 57.9% by 2030, 95.7% by 2050, and 96.2% in 2100
- US: 62.3% by 2030, 93.5% by 2050, and 95.8% in 2100
- Europe: 81.3% by 2030, 95.6% by 2050, and 96.3% in 2100
- Canada, AU, NZ: 87.2% by 2030, 93.7% by 2050, and 97.3% in 2100

% of Renewable Energy of Total Energy produced

- Global: 11.9% by 2030, 46.5% by 2050, and 64.7% in 2100
- US: 16.5% by 2030, 48.7% by 2050, and 68.9% in 2100
- Europe: 20.3% by 2030, 54.2% by 2050, and 70.2% in 2100
- Canada, AU, NZ: 21.2% by 2030, 40.3% by 2050, and 63.4% in 2100

Carbon Sequestration (Mt CO₂/yr)

- Global: 69 by 2030, 6,463 by 2050, and 7,813 by 2100
- US: 48 by 2030, 1,086 by 2050, and 418 by 2100
- Europe: 5 by 2030, 395 by 2050, and 218 by 2100
- Canada, AU, NZ: 10 by 2030, 326 by 2050, and 142 by 2100

Scenario 3 - Nationally Determined Contributions*

ENVIRONMENTAL OUTCOMES
Global average temperature increases

+1.84°C by 2030, +2.53°C by 2050, and +3.47°C by 2100

Global concentration of CO₂ (% change relative to PPM in 2020)

441 ppm (+5.59%) by 2030, 473 ppm (+13.4%) by 2050, and 521 ppm (+24.9%) by 2100

EMISSION PATHWAYS
Net Emissions

- Global: 38.0Bt CO₂/yr by 2030, 27.6Bt CO₂/yr by 2050, and 13.7Bt CO₂/yr by 2100
- US: 2,614Mt CO₂/yr by 2030, 253Mt CO₂/yr by 2050, and 259Mt CO₂/yr by 2100
- Europe: 2,710Mt CO₂/yr by 2030, 1,602Mt CO₂/yr by 2050, and 609Mt CO₂/yr by 2100
- Canada, AU, NZ: 612Mt CO₂/yr by 2030, 238Mt CO₂/yr by 2050, and 223Mt CO₂/yr by 2100

ECONOMIC OUTCOMES
GDP|PPP (%loss due to 'chronic' physical risk and policy risk)

- Global: \$161tn (-1.97%, -0.10%) by 2030, \$246tn (-5.52%, -0.39%) by 2050, and \$547tn (-11.30%, -0.28%) by 2100
- US: \$22.8tn (-1.50%, -0.29%) by 2030, \$28.3tn (-4.27%, -0.26%) by 2050, and \$44.2tn (-8.22%, -0.18%) by 2100

SOCIAL OUTCOMES
Population

- Global: 8.5bn by 2030, 9.4bn by 2050, and 9.3bn by 2100
- US: 350mn by 2030, 388mn by 2050, and 483mn by 2100
- Europe: 641mn by 2030, 644mn by 2050, and 618mn by 2100
- Canada, AU, NZ: 75mn by 2030, 84mn by 2050, and 109mn by 2100

- Europe: \$23.7tn (-1.07%, -0.17%) by 2030, \$31.2tn (-2.85%, -0.28%) by 2050, and \$62.3tn (-5.39%, -0.19%) by 2100
- Canada, AU, NZ: \$3.6tn (-1.04%, -0.63%) by 2030, \$5.0tn (-2.95%, -0.60%) by 2050, and \$11.2tn (-5.94%, -0.40%) by 2100

Consumption

- Global: \$54.9tn by 2030, \$83.7tn by 2050, and \$205tn by 2100
- US: \$13.5tn by 2030, \$21.5tn by 2050, and \$43.5tn by 2100
- Europe: \$15.6tn by 2030, \$22.4tn by 2050, and \$58.2tn by 2100
- Canada, AU, NZ: \$1.88tn by 2030, \$3.06tn by 2050, and \$10.3tn by 2100

POLICY OUTCOMES

Carbon price

- Global: \$35.6 by 2030, \$50.7 by 2050, and \$101 by 2100
- US: \$121 by 2030, \$123 by 2050, and \$101 by 2100
- Europe: \$39.3 by 2030, \$55.9 by 2050, and \$101 by 2100
- Canada, AU, NZ: \$100 by 2030, \$103 by 2050, and \$101 by 2100

Carbon Tax

- Global: \$929bn by 2030, \$1,015bn by 2050, and \$1,254bn by 2100
- US: \$353bn by 2030, \$44bn by 2050, and \$33bn by 2100
- Europe: \$76bn by 2030, \$41bn by 2050, and \$23bn by 2100
- Canada, AU, NZ: \$63bn by 2030, \$23bn by 2050, and \$23bn by 2100

TECHNOLOGY OUTCOMES

% of Renewable Electricity of Total Electricity produced

- Global: 65.8% by 2030, 89.5% by 2050, and 95.9% in 2100
- US: 78.6% by 2030, 94.8% by 2050, and 95.7% in 2100
- Europe: 93.2% by 2030, 95.4% by 2050, and 96.3% in 2100
- Canada, AU, NZ: 96.3% by 2030, 96.8% by 2050, and 97.6% in 2100

% of Renewable Energy of Total Energy produced

- Global: 14.6% by 2030, 31.4% by 2050, and 54.1% in 2100
- US: 24.2% by 2030, 43.5% by 2050, and 58.3% in 2100
- Europe: 28.6% by 2030, 57.9% by 2050, and 70.1% in 2100
- Canada, AU, NZ: 26.0% by 2030, 38.3% by 2050, and 50.3% in 2100

Carbon Sequestration (Mt CO₂/yr)

- Global: 219 by 2030, 2,308 by 2050, and 7,401 by 2100
- US: 110 by 2030, 853 by 2050, and 654 by 2100
- Europe: 24 by 2030, 177 by 2050, and 209 by 2100
- Canada, AU, NZ: 23 by 2030, 173 by 2050, and 177 by 2100

SOURCE: All Drivers of Change above sourced from NGFS, via its Portal. [NGFS Scenarios Portal](#) on 21 February 2024.

**Note: These higher temperature scenarios should be considered with regard to known limitations of NGFS scenarios, particularly limitations relating to underestimation of physical impacts and their potential costs, as discussed at 3.3.6 in these Climate Statements.*

► GLOSSARY

| TERM | DEFINITION |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| acute risks | refer to physical risks that are event-driven, such as extreme weather events. For example, floods and cyclones. |
| Australasian Growth Funds | means the Pie Australasian Growth Fund, the Pie Australasian Emerging Companies Fund, the Pie Australasian Growth 2 Fund and the Pie Australasian Dividend Growth Fund. |
| Board | means the board of Pie Funds Management Limited. |
| Business Plan | means the annual business plan of Pie Funds Management Limited. |
| CDR | means Carbon Dioxide Removal and is defined for the purposes of the scenario drivers in Appendix A by reference to NGFS as “Anthropogenic activities removing CO ₂ from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage but excludes natural CO ₂ ”. |
| CDP | means the Carbon Disclosure Project. |
| chronic risks | refer to longer term physical risks, such as shifts in precipitation and temperature and increased variability of weather conditions. For example, extreme heat and sea level rise. |
| Climate Statements | means these climate statements. |
| Climate Workshop Series | means internal Pie Funds workshop series held from January 2024 through to April 2024 to consider scenario analysis, climate-related risks, opportunities and impacts as well as metrics and targets. |
| Core Climate Stakeholder Group | means the internal Pie Funds stakeholder group, with high levels of representation from the Investment team, as well as Board and Executive representation that participated in the Climate Workshop Series. |
| CRDWS | means the Climate Related Disclosure Work Streams. |
| CRD | means Climate Related Disclosure. |
| CRE | means a climate reporting entity. |
| Diversified Funds | means the Pie Conservative Fund, the Pie Fixed Income Fund, the Pie Property & Infrastructure Fund, the Pie KiwiSaver Conservative Fund, the Pie KiwiSaver Balanced Fund, and the Pie KiwiSaver Growth Fund. |
| ESG | means Environmental, Social and Governance. |
| European Green Deal | refers to “a package of policy initiatives, which aims to set the European Union (EU) on the path to a green transition with the ultimate aim of reaching climate |

neutrality by 2050...It supports the transformation of the EU into a fair and prosperous society with a modern and competitive economy.”

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| EV | means electric vehicle. |
| EY | means Ernst & Young. |
| FMA | means the Financial Markets Authority. |
| FMCA | means the Financial Markets Conduct Act 2013. |
| FSC | means the Financial Services Council. |
| FSC EY Sector Report | means the report published in June 2023 to support New Zealand’s fund management, life insurance and health insurance sector with the new regulation and reporting obligations relating to scenario analysis under NZ CS 1, NZ CS 2 and NZ CS 3. A Climate Scenario Narratives Working Group engaged EY to assist with facilitating conversations and producing the report. |
| Funds | means those funds listed in section 1.2 of these Climate Statements. |
| Fund Summaries | means a summary of key information for each of the Funds, found in section 6 of these Climate Statements. |
| GHG | means Greenhouse Gas Emissions. |
| GHGP | means the Greenhouse Gas Protocol. |
| Global Growth Funds | means the Pie Global Growth Fund, the Pie Global Growth 2 Fund, and the Pie Growth UK & Europe Fund. |
| GWP | means Global Warming Potential. |
| IC | means the Investment Committee. |
| Inflation Reduction Act | means the American law signed in August 2022 containing significant policy support for a new clean energy economy through grants, rebates, incentives and other investments. |
| Investee or Investees | means a company or companies that a Fund invests in or may invest in. |
| IPCC | means Intergovernmental Panel on Climate Change. |
| IPP | means the Investment Policy and Procedures. |
| MSCI | means Morgan Stanley Capital Investors MSCI ESG Research LLC. |
| NDC | means Nationally Determined Contribution, or is a term used under the United Nations Framework Convention on Climate Change (UNFCCC) whereby a country that has joined the Paris Agreement outlines its plans for reducing its emissions. Some countries. NDCs also address how they will adapt to climate change impacts, and what support they need from, or will provide to, other countries to adopt low-carbon pathways and to build climate resilience. |

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| NGFS | means the Network of Central Banks and Supervisors for Greening the Financial System, which was established in December 2017 with eight central banks and supervisors. The NGFS partnered with an expert group of climate scientists and economists to design a set of hypothetical scenarios, which have been updated a number of times. Each NGFS scenario is designed to provide a common and up-to-date reference point for understanding how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different futures. |
| NZ CS 1 | means the Aotearoa New Zealand Climate Standard 1. |
| NZ CS 2 | means the Aotearoa New Zealand Climate Standard 2. |
| NZ CS 3 | means the Aotearoa New Zealand Climate Standard 3. |
| NZH | means New Zealand dollar hedged. |
| PCAF | means Partnership for Carbon Accounting Financials. |
| Physical impacts | are the impacts of physical risks arising due to climate change. Physical risks are further divided into “ acute ” and “ chronic ” risks. See relevant terms for further details. |
| Pie Funds | means Pie Funds Management Limited. |
| Registered Schemes | means managed investment schemes that are registered on the register of managed investment schemes. |
| Registrar | means the Registrar of Financial Service Providers. |
| Reporting Period | means the 12-month period from 1 April 2023 to 31 March 2024. |
| RI Policy | means the Responsible Investment Policy, which is available on Pie Funds website. |
| RIC | means the Responsible Investment Committee. |
| Risk Register | means a tool Pie Funds uses to track and monitor any risks that might impact the Funds or Investees. |
| Risk Management Framework | means Pie Funds template and guidelines used to identify, eliminate and minimize risks, which are monitored via the Risk Register. |
| SBTi | means the Science Based Targets Initiative, a respected charitable corporate climate action organization that develops standards, tools and guidance which allow companies to set GHG emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest. |
| Scheme(s) | means those schemes listed in section 1.2 of these Climate Statements. |
| Supervisor | means the entity that has been appointed as supervisor of the Schemes. |
| Temperature trajectory or Temperature rise | means in relation to climate scenarios refers to the increase in global, mean, temperature increase above pre-industrial levels. |

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| Transition impacts | means the impacts of transition risks arising due to climate change. |
| Transition risks | means the risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change. |
| VaR | means Various Climate Value at Risk. |
| WACI | means Weighted Average Carbon Intensity. |
| XRB | means the External Reporting Board, the body that was enabled through legislation to issue the climate-related disclosure framework – NZ CS 1, NZ CS 2 and NZ CS 3. |
| XRB Guidance for MIS Managers | means the Climate-related Disclosures Staff Guidance for MIS Managers published by the XRB in final form in August 2023. |
