Finbase PIE Fund

Financial Statements

For the 314-day period ended 31 March 2025

Finbase PIE Fund
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Principal Activity	Investment PIE Fund
Manager	Finbase Funds Management Limited 50 Remuera Road Remuera Auckland, 1050
Directors of the Manager	Pernell Patrick CALLAGHAN Hayden John THOMPSON
Supervisor	Public Trust Level 16 151 Queen Street Auckland Central Auckland, 1010
Registered office	50 Remuera Road Remuera Auckland, 1050
Auditor	PricewaterhouseCoopers (PwC)

Finbase PIE Fund
Director's Responsibility Statement
For the 314-day period ended 31 March 2025

Approval and issue of the Financial Statements

The board of Directors of Finbase Funds Management Limited are pleased to present the financial statements of Finbase PIE Fund ("the Fund") for the period ended 31 March 2025.

The board of Directors of Finbase Funds Management Limited authorised the financial statements for issue on 3 July 2025

For and on behalf of the Board

Pernell Patrick CALLAGHAN
Director

Hayden John THOMPSON
Director

Finbase PIE Fund
Statement of Comprehensive Income
For the 314-day period ended 31 March 2025

	Note	2025 $
Income		
Interest income		388,051
Other income		105,012
Total income		**493,063**
Expenses		
Other expenses	4	(171,712)
Total expenses		**(171,712)**
Net profit attributable to unitholders		**321,351**
Profit for the period and total comprehensive income attributable to unitholders		**321,351**

Finbase PIE Fund
Statement of Changes in Net Assets Attributable to Unitholders
For the 314-day period ended 31 March 2025

	Note	Unitholders' funds $	Total $
Balance at establishment		—	—
Total comprehensive income for the period		**321,351**	**321,351**
Distributions	10	(321,351)	(321,351)
Units issued during the period	10	20,401,000	20,401,000
Units redeemed during the period	10	(1,107,000)	(1,107,000)
Balance at 31 March 2025		**19,294,000**	**19,294,000**

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Finbase PIE Fund
Statement of Financial Position
As at 31 March 2025

	Note	2025 $
ASSETS		
Current assets		
Cash and cash equivalents	5	2,227,775
Loans receivable	6	16,903,072
Related party receivable	7	11,500
Other assets	8	24,548
Total current assets		**19,166,895**
Non-current assets		
Loans receivable	6	547,500
Total non-current assets		**547,500**
Total assets		**19,714,395**
LIABILITIES		
Current liabilities		
Trade and other payables	9	57,484
Income in advance		2,304
Related party payable	7	94,114
Distributions payable		199,820
PIE tax payable on behalf of unitholders		66,673
Total current liabilities		**420,395**
Total liabilities		**420,395**
Net assets		**19,294,000**
Represented by:		
Unitholders' funds		19,294,000
Net assets attributable to unitholders		**19,294,000**

Finbase PIE Fund
Statement of Cash Flows
For the 314-day period ended 31 March 2025

	Note	2025 $
Cash flows from operating activities		
Interest received		247,551
Other income received		111,280
Advances to borrowers		(18,005,072)
Repayments from borrowers		664,339
Miscellaneous expenses paid		(30,207)
Net cash used in operating activities		**(17,012,109)**
Cash flows from financing activities		
Subscriptions received from unitholders		20,401,000
Redemptions paid to unitholders		(1,107,000)
PIE tax paid on behalf of unitholders		(14,145)
Distributions paid to unitholders		(39,971)
Net cash from financing activities		**19,239,884**
Net increase in cash and cash equivalent held		**2,227,775**
Cash and cash equivalents at establishment		—
Cash and cash equivalents at end of financial period	5	**2,227,775**

1. General information

The reporting entity included in these financial statements is the Finbase PIE Fund ("the Fund"). The Fund was established pursuant to a master trust deed and establishment deed dated 22 May 2024 (together the "Trust Deed") between Finbase Funds Management Limited (the "Manager") as the manager and Public Trust (the "Supervisor") as the supervisor and the trustee.

The Fund is a wholesale managed investment scheme and is domiciled in New Zealand. The Fund invests in loans secured by first mortgages against residential, commercial and rural properties. The Fund receives interest income and other fees on these loans.

The Fund commenced operations on 22 May 2024.

The Fund's investment activities are ultimately managed by the Manager. The registered office of the Manager is 50 Remuera Road, Remuera, Auckland.

2 Basis of preparation

This is the Fund's first year of operations and the Fund's first financial statements. No comparatives have been presented.

These financial statements have been prepared in accordance with the requirements of the Trust Deed.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

The Fund is eligible and has elected to report in accordance with Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that the entity has no public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the Fund has applied a number of disclosure concessions.

2.1. Basis of measurement

The financial statements have been prepared under the historical cost convention. The going concern concept and accrual basis of accounting have been applied.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2. Presentation currency

The financial statements are presented in New Zealand dollars, which is the Fund's functional currency. Amounts are rounded to the nearest dollar.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.3. Changes in accounting policies and adoption of new accounting standards

No new standards, amendments to standards or interpretations that are not yet effective have been early adopted by the Fund in these financial statements.

In May 2024, the New Zealand Accounting Standards Board (NZ IASB) issued a new standard NZ IFRS 18 Presentation and Disclosure in Financial Statements which replaces NZ IAS 1 Presentation of Financial Statements. NZ IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. NZ IFRS 18 introduces a defined structure for the Income Statement, requiring income and expense items to be categorised into operating, investing, financing, income taxes and discontinued operations. Other requirements include enhanced disclosures for management-defined performance measures and additional guidance on disaggregation/aggregation principles applied to all financial statements and notes. The Fund expects to adopt NZ IFRS 18 in the annual reporting period beginning 1 April 2027.

3. Material accounting policies

3.1. Classification of unitholders' funds

The classification of unitholders' funds as either a liability or equity requires judgement as units can have a mix of debt and equity features. Management have determined unitholders' funds meet the requirements of a puttable instrument in accordance with NZ IAS 32 Financial Instruments: Presentation and are classified as equity. The Fund continues to assess the classification of the units to ensure they have all the features or meet all the conditions set out in NZ IAS 32.

3.2. Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.2.1. Financial assets

The Fund's financial assets measured at amortised cost include cash and cash equivalents, loans receivable, related party receivables and other assets per Statement of Financial Position. The Fund has no assets measured as Fair Value through Profit or Loss (FVPL) or Fair Value through Other Comprehensive Income (FVOCI).

3.2.1.i. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECL), through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial asset on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured at amortised cost.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3.2.1.ii. Financial assets - impairment of financial assets

The Fund recognises a loss allowance for Expected Credit Losses (ECL) on financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

For loans receivable, the Fund applies a three-stage test to measuring ECL. Loans may migrate through the following stages based on their change in credit quality.

3.2.1.ii. Financial assets - impairment of financial assets (continued)

Stage 1	12-month ECL (past due 30 days or less) Where there has been no evidence of a significant increase in credit risk since initial recognition, ECL that result from possible default events within 12 months are recognised.
Stage 2	Lifetime ECL not credit impaired (between 30 and 90 days past due). Where there has been a significant increase in credit risk, ECL that result from all possible default events over the life of the loan are recognised.
Stage 3	Lifetime ECL credit impaired (greater than 90 days past due). Where loans are in default or otherwise credit impaired, ECL that result from all possible default events over the life of the loan are recognised.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Fund considers its historical loss experience and adjusts this for current observable data. This data includes any payment defaults by the borrower, known or expected defaults by the borrower on similar obligations (other loans), uninsured deterioration of the security property and any changes in the borrowers circumstances which could impact on their ability to repay either interest or principal amounts on their due date.

Measurement and recognition of expected credit losses (ECL)

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted for forward-looking information including macroeconomic factors as described above. Given the Fund's loan portfolio is all secured over property, the single most significant factor for loss given default is the value of the security property, time to realise security, any known or expected uninsured deterioration of the property, or any forecast reduction in property values.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Fund would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default is an estimate of the likelihood of default over a given time horizon.

The assessment of the probability of default and loss given default is based on historical data adjusted for forward-looking information including macroeconomic factors.

Given the Fund's loan portfolio is all secured over property, the most significant factor for loss given default is the value of the security property, time to realise security, any known or expected uninsured deterioration of the property, or any forecast reduction in property values.

The Fund recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

3.2.1.iii. Financial assets - derecognition of financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.2.2. Financial liabilities

Financial liabilities are measured at amortised cost.

3.2.2.i. Financial liabilities measured at amortised cost

At initial recognition financial liabilities are measured at fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Fund's financial liabilities measured at amortised cost include trade and other payables, related party payables and distributions payable.

3.2.2.ii. Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3. Critical accounting estimates and judgement

The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgement regarding the application of accounting policies. The critical estimates used and judgements made in the preparation of these financial statements relate to the following:

3.3.1. Allowance for Expected Credit Losses (ECL) on loans receivable

The assessment of the allowance for ECL on the Fund's loans receivable is complex and requires significant judgement and estimation. Due to a lack of historical default data, the Fund exercised its judgement when selecting and applying industry data that has been used to estimate the probability of default and loss given default. Judgement has also been applied in determining the economic factors that drive the forward-looking probability of default rates, and the weighting applied to the economic scenarios.

3.4. Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Fund and that revenue can be reliably measured.

The Fund's principal source of revenue is interest income earned from financial assets measured at amortised cost. For financial assets measured at amortised cost, the effective interest method is used to measure the interest income recognised in the Statement of Comprehensive Income.

3.5. Income Tax

The Fund qualifies as, and has elected to be, a Portfolio Investment Entity (PIE) for tax purposes. Under the PIE regime, income is effectively taxed in the hands of unitholders and therefore no income tax expense is recognised in the Statement of Comprehensive Income, and no deferred tax assets or liabilities are recognised in the Statement of Financial Position. Under the PIE regime, the Manager attributes the taxable income of the Fund to unitholders in accordance with the proportion of their interests in the overall Fund. The income attributed to each unitholder is taxed at that unitholder's Prescribed Investor Rate (PIR) which is capped at 28%. The Fund is responsible for deducting tax from each investor's allocation using each investor's PIR and pays the tax to the taxation authorities on behalf of the investor.

Tax payable on behalf of unitholders disclosed in the Statement of Financial Position consists of amounts withheld from withdrawals or distributions to meet unitholder tax liabilities under the PIE regime.

3.6. GST

The Fund is involved in exempt activities and is accordingly not required to account for GST on its revenues. The Fund is GST registered and is eligible to claim a portion of GST on certain expenses. The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated inclusive of GST, except for certain eligible expenses which are recorded exclusive of GST in the Statement of Comprehensive Income and the Statement of Cash Flows. All items in the Statement of Financial Position are stated inclusive of GST.

4. Other expenses

	2025
Other expenses	**$**
Audit fees	39,997
Bank fees	305
ECL provision expense (refer to note 6)	19,439
Management fees (refer to note 7.1)	71,514
Supervisor fees (refer to note 7.1)	21,443
Other expenses	19,014
Total other expenses	**171,712**

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the Statement of Financial Position as follows:

	2025
	$
Cash and cash equivalents	2,227,775
Total	**2,227,775**

6. Loans receivable

	2025
Loans receivable (first mortgage security)	**$**
Loans receivable including accrued interest and fees	17,470,011
Less: ECL provision (refer to note 6.1)	(19,439)
	17,450,572
Represented by:	
Current portion	16,903,072
Non-current portion	547,500
Total loans receivable	**17,450,572**

Loans receivable consist of loans secured by first mortgages against a range of property types (residential, commercial and rural properties) and locations. Loans have a broad range of commercial interest rates and maturity dates:

Interest rates: 9.95% - 13.5%
Maturity dates: 6 months to 2 years

6. Loans receivable (continued)

Loan fees (for all loans) and interest (for capitalised interest loans) are capitalised to the loan balances when charged and recognised over the life of the loans using the effective interest method. The associated cash is received when the loans are repaid (or partially repaid). Loan fees include a loan origination fee, a broker fee, and a documentation/legal fee.

Current loans receivable are contractually repayable within 12 months. Non-current loans receivable are contractually repayable between 12 months to 23 months from the reporting date.

As at 31 March 2025 there was $248,848 outstanding loan commitments (loans approved and accepted not yet drawn).

6.1. Expected Credit Losses

Loans receivable (first mortgage security)	Stage 1	Stage 2	Stage 3	Total
As at 31 March 2025				**$**
Loss rate	0.10 %	— %	— %	
Gross exposure	17,470,011	—	—	17,470,011
Impairment allowance	(19,439)	—	—	(19,439)
Net exposure	17,450,572	—	—	**17,450,572**

The Fund had no loans classified as Stage 2 or 3 for the purposes of determining the ECLs on loans receivable for the period ended 31 March 2025.

As at 31 March 2025 no loans were past due.

7. Related parties

7.1. Transactions with related parties

During the period, the following transactions occurred between the Fund and related parties of the Fund:

Related Party	Relationship	Nature of Transaction	2025 $
Finbase Funds Management Limited	Manager of the Fund	Management Fee	71,514
HP Capital Limited	Owner of the Manager	Loan Origination fees	472,366
Public Trust	Supervisor/Trustee of the Fund	Supervisor Fees	21,443
Total			**565,323**

HP Capital Limited is the 100% shareholder of the Manager. The shareholders and directors of HP Capital Limited are also directors of the Manager.

The Fund pays loan origination fees on behalf of borrowers to HP Capital Limited and then on-charges the full amount to borrowers (refer to Note 6).

In accordance with the Information Memorandum, the manager charges a management fee of 2% plus GST per annum of the Fund's net asset value. The fee is calculated and paid quarterly in arrears based on the net asset value of funds invested on a daily basis over the quarter. The net asset value is ascertained by adding the market value of all assets of the fund and subtracting the market value of all liabilities of the fund including undistributed net income.

The supervisor is responsible for holding the Fund's assets and for acting on behalf of unit holders in relation to the Trust Deed. The Supervisor charges a fee of 0.07% per annum of the Fund's net asset value plus GST for its role as Trustee of the Fund with a minimum annual fee of $40,000 plus GST. The Fee reduces to 0.06% per annum of the Fund's net asset value between $100 million and $300 million, and 0.04% above $300 million. The net asset value is ascertained by adding the market value of all assets of the fund and subtracting the market value of all liabilities of the fund including undistributed net income. The fee is calculated and charged monthly with adjustments made at the end of each quarter as required to align with the net asset value. The fee for the period ending 31 March 2025 was a monthly proportion of the minimum annual fee.

7.2. Balances outstanding at the end of the reporting period:

At balance date, the Fund had the following related party balances:

		2025	
		Current	Non-current
Related party receivables	**Relationship**	**$**	**$**
HP Capital Limited	Owner of the Manager	11,500	—
Total		**11,500**	**—**

Related party payables	**Relationship**		
Finbase Funds Management Limited	Manager of the Fund	59,221	—
HP Capital Limited	Owner of the Manager	31,060	—
Public Trust	Supervisor/Trustee of the Fund	3,833	—
Total		**94,114**	**—**

The related party receivable to HP Capital Limited relates to loan origination fees incurred by a third party for a loan subsequently cancelled. HP Capital Limited agreed to cover the cost of the third party, being a total of $11,500.

The Fund has reviewed the expected credit loss position of related party receivables at balance date and determined that any credit loss is negligible.

7.3. Key Management Personnel (KMP)

The directors of Finbase Funds Management Limited (the Manager) are the KMP of the Fund. Aside from the Manager's fee there were no other compensation to KMP during the period.

7.4. Units held by related parties

During the period, the Fund's related parties have the below investment transactions in the Fund.

		2025
	# of Units	**Value**
HP Capital Limited		**$**
Opening balance	—	—
Contributions	557,000	557,000
Redemptions	(557,000)	(557,000)
Closing balance	**—**	**—**

HP Capital Limited received gross distributions of $961 during the period ended 31 March 2025.

		2025
	# of Units	**Value**
Hayden Thompson		**$**
Opening balance	—	—
Contributions	300,000	300,000
Redemptions	(290,000)	(290,000)
Closing balance	**10,000**	**10,000**

Hayden Thompson is a director of the Manager and HP Capital Limited, and holds 50% of the shares of HP Capital Limited. Hayden Thompson received gross distributions of $8,484 during the period ended 31 March 2025.

8. Other assets

	2025
Other assets	**$**
Prepayments	24,548
Total other assets	**24,548**

9. Trade and other payables

	2025
Trade and other payables	**$**
Accounts payable	12,342
Accrued expenses	45,142
Total trade and other payables	**57,484**

10. Unitholders' funds

The Fund issues units, which provide the holder with a beneficial interest in the Fund. The units can be redeemed from the Fund at any time after an initial 3 month lock in period for cash equal to the value of the holder's proportionate share in the Fund's net asset value on the redemption date.

The units are issued and redeemed at the unitholders' option based on the Fund's net asset value per unit at the time of issue or redemption. The unit price is calculated by dividing the Fund's net asset value by the total number of outstanding units. In accordance with the Trust Deed, loans receivable (and any other investments of the Fund) are valued at the Market Value on the last day of the calendar quarter for the purpose of determining the net asset value per unit for subscriptions and redemptions.

The unit price is calculated quarterly and units are issued/redeemed at the unit price at the time. Redemptions from the Fund are processed quarterly at the unit price at the time.

The relevant movements are shown in the Statement of Changes in Net Assets Attributable to Unitholders.

Movement in the number of units	**2025**
	# of Units
Balance at establishment	—
Subscriptions received during the period	20,401,000
Redemptions made during the period	(1,107,000)
Units on issue at the end of the period	**19,294,000**

10.1. Distribution from the Fund

Distributions are recorded gross of PIE tax payable which is withheld from distributions at the time of the distribution and paid to the taxation authorities on behalf of the investor.

Distributions to unitholders are made on a quarterly basis based on the Fund's net income (as defined in the Trust Deed) for the quarter distributed in proportion to each unitholder's holding.

Distributions are normally paid on the 10th of April, July, October, and January, or the following business day. The Fund paid a gross distribution of $10,364 on 10 October 2024, $44,494 on 10 January 2025 and $266,493 on 10 April 2025. The distribution for the quarter ended 31 March 2025 was paid after balance date on 10 April 2025 and is included as a distribution payable of $199,820 and PIE tax of $66,673 on the Fund's Statement of Financial Position as at 31 March 2025.

Finbase PIE Fund
Notes to the Financial Statements
For the 314-day period ended 31 March 2025

11. Financial instruments

As at 31 March 2025	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
		$	$	$
Financial assets				
Cash and cash equivalents	5	2,227,775	—	2,227,775
Loans receivable	6	17,450,572	—	17,450,572
Related party receivable	7	11,500	—	11,500
Total financial assets		19,689,847	—	19,689,847
Financial liabilities				
Trade and other payables	9	—	(57,484)	(57,484)
Distributions payable		—	(199,820)	(199,820)
Related party payable	7	—	(94,114)	(94,114)
Total financial liabilities		—	(351,418)	(351,418)

12. Contingent assets and liabilities

There were no contingent assets or liabilities as at 31 March 2025.

13. Capital commitments

The Fund has no capital commitments as at 31 March 2025.

14. Events after reporting date

There were no material events subsequent to balance date.

Independent auditor's report

To the unitholders of Finbase PIE Fund

Our opinion

In our opinion, the accompanying financial statements of Finbase PIE Fund (the Fund), present fairly, in all material respects, the financial position of the Fund as at 31 March 2025, its financial performance, and its cash flows for the 314-day period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 March 2025;
- the statement of comprehensive income for the period then ended;
- the statement of changes in net assets attributable to unitholders for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Fund.

Responsibilities of the Manager for the financial statements

Finbase Funds Management Limited, the Manager, is responsible, on behalf of the Fund, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement leader on the audit resulting in this independent auditor's report is Mathew McQueen.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Auckland

3 July 2025