



Conservative Fund

Monthly Update as at 31 July 2024

PORTFOLIO MANAGER(S)



MIKE TAYLOR
Founder and Chief
Investment Officer



TRAVIS MURDOCH
Head of Fixed Income and
Portfolio Manager

FUND COMMENTARY

The Conservative Fund returned 1.7% during the month, bringing it to a 12-month return of 7.7%.

Government bond yields fell across the board in July, resulting in strong price gains for bonds. Moderating inflation data and slowing economic growth bolstered the bond market, increasing expectations for central bank rate cuts. The latest US CPI report showed a more significant drop in inflation than anticipated. With signs of a slowdown in the US economy and a moderating labour market, the Federal Reserve is expected to cut interest rates at its September meeting.

The Bank of Canada cut rates for the second consecutive meeting, and the Bank of England began a rate-cutting cycle. Central banks worldwide are adjusting their policies in response to economic conditions. In New Zealand, rates fell sharply, boosting bond prices, as the RBNZ's post-meeting statement hinted at potential rate cuts. Looking ahead, continued moderation in inflation and economic growth is favourable for bond markets. The Fund maintains an overweight position in NZ bonds compared to its benchmark and expects interest rate curves to steepen as central bank cuts occur. European government bonds are also anticipated to outperform in the coming months.

Equity markets continued their upward trend from June, reaching new record highs, with the mega-cap tech sector leading. However, by mid-month, the US CPI report caused significant drops in market interest rates, leading to a sharp rotation in equity markets. US small-cap equities rallied, while the tech-heavy NASDAQ index closed lower.

This all culminated in a strong monthly performance for a Conservative Fund, which doesn't usually move by this magnitude.

CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today, before tax.



FUND DETAILS

Recommended minimum investment period	3 years
Objective	Capital preservation (with some growth) which outperforms the market index over a period exceeding three years.
Description	Invests predominantly in fixed-interest securities and some cash, with an allocation to equities (directly or through other products issued by Pie Funds). It may also invest in other products such as term deposits and bonds.
Inception date	April 2015
Standard withdrawal period	5 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Potentially Lower Returns Potentially Higher Returns </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Lower Risk Higher Risk </div>

For more information on our funds, please visit www.piefunds.co.nz/Investor-Documents



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PERFORMANCE

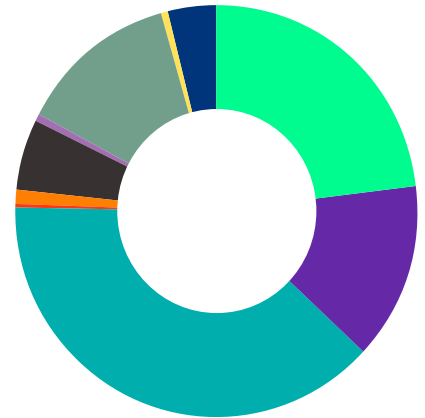
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Conservative Fund	1.7%	7.7%	2.8%	3.4%	3.7%	4.0%
MARKET INDEX ¹	1.8%	9.8%	3.2%	3.9%	4.6%	4.6%

Returns after fees but before individual PIR tax applied

1. The market index is a composite index (25% NZBond Bank Bill Index (NZD), 15% Bloomberg NZBond Credit 0+ Yr Index (NZD), 35% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 6% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX

Cash (including Derivatives)	23.3%
New Zealand Fixed Interest	13.9%
International Fixed Interest	38.1%
Asian Equities	0.3%
Emerging Market Equities	1.1%
European Equities	5.7%
UK Equities	0.4%
US and Canadian Equities	13.0%
New Zealand Equities	0.5%
Australian Equities	3.7%



Asset allocation is rounded to the nearest vtenth of a percent; therefore, the aggregate may not equal 100%.

TOP FIVE HOLDINGS (EXCLUDING CASH)

Contact Energy Ltd	6.398%	21/11/2030
JPMorgan Chase & Co	5.336%	23/01/2035
Morrison & Co High Conviction Infrastructure Fund		
New Zealand Local Government	1.5%	20/04/2029
Transpower NZ Ltd	4.977%	29/11/2028

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.21

ANNUALISED RETURN SINCE INCEPTION

4.0% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 July 2024. Pie Funds Management Limited is the manager and issuer of the funds in the Pie Funds Management Scheme. Any advice given by Pie Funds Management Limited is general only. Our advice relates only to the specific financial products mentioned and does not account for personal circumstances or financial goals. Please see a financial adviser for tailored advice. You may have to pay product or other fees, like brokerage, if you act on any advice. As manager of the Pie Funds Management Scheme investment funds, we receive fees determined by your balance, and we benefit financially if you invest in our products. We manage this conflict of interest via an internal compliance framework designed to help us meet our duties to you. For information about how we can help you, our duties and complaint process and how disputes can be resolved, or to see our product disclosure statement, please visit www.piefunds.co.nz. Please let us know if you would like a hard copy of this disclosure information. Past performance is not a reliable indicator of future returns. Returns can be negative as well as positive, and returns over different periods may vary.