



Pie Fixed Income Fund

Monthly Update as at 31 July 2024

PORTFOLIO MANAGER(S)



TRAVIS MURDOCH

Head of Fixed Income and Portfolio Manager



MIKE TAYLOR

Founder and Chief Investment Officer

FUND COMMENTARY

The Fixed Income Fund returned 2.4% during the month, bringing the return since its inception in December 2023 to 5.5%.

Government bond yields declined across the board in July, resulting in substantial price gains for bonds. This shift was driven by moderating inflation data and slowing economic growth, which prompted bond markets to increase expectations for central bank rate cuts in the near future.

These expectations were further reinforced by the latest US CPI report, which revealed a larger-than-anticipated drop in inflation. With economic data pointing to a slowdown in the US economy and ongoing moderation in the labour market, the Federal Reserve is now almost certain to lower interest rates at its next meeting in September.

The dovish trend was not limited to the US. The Bank of Canada reduced rates for the second consecutive meeting, and the Bank of England began its rate-cutting cycle.

Closer to home, Australian bond markets received some relief as the latest CPI inflation report came in better than expected. Although markets had been anticipating another rate hike, they are now pricing in rate cuts by the end of the year.

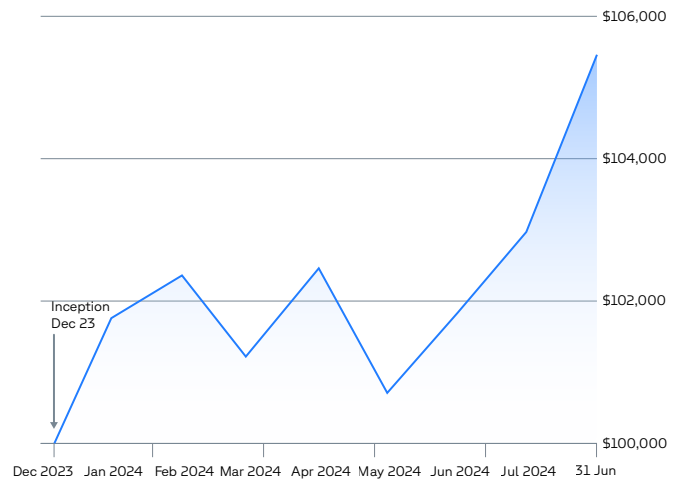
In New Zealand, rates fell significantly (pushing bond prices higher) after the RBNZ's post-meeting statement hinted at potential rate cuts in the coming months. Given the substantial weakness in the domestic economy, we believe the RBNZ should cut rates as soon as possible. The Fund maintains an overweight position in NZ bonds relative to its benchmark.

Looking ahead, we anticipate continued moderation in inflation and economic growth, which should benefit bond markets. The Fund remains overweight in interest rate duration relative to its benchmark, although we have taken some profits following recent price movements. The Fund maintains a strong bias for a steeper interest rate curve as central bank cuts materialize and holds an overweight position in European government bonds, which we expect to outperform in the coming months.

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

CUMULATIVE FUND PERFORMANCE

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



● Fixed Income Fund

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 New Zealand and international fixed interest securities, and may also invest in cash.
Inception date	5 December 2023
Standard withdrawal period	Up to 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; width: 100%;"> Lower Risk Higher Risk </div>



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PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Since inception
Fixed Income Fund	2.4%					5.5%
MARKET INDEX ¹	2.0%					6.0%

Returns after fees but before individual PIR tax applied

* The market index is a composite index (70% Bloomberg Global Aggregate Corporate Total Return Index (100% Hedged to NZD), 5% Bloomberg Global High Yield Index (100% Hedged to NZD), 25% Bloomberg NZBond Credit 0+ Yr Index (NZD))

INVESTMENT MIX

Cash (including Derivatives)	7.1%
New Zealand Fixed Interest	24.8%
International Fixed Interest	68.1%

Asset allocation is rounded to the nearest tenth 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
LVMH Moet Hennessy Louis Vuitton	3.5%	07/09/2033
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

\$1.05

RETURN SINCE INCEPTION

5.5%

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.