



Pie Property & Infrastructure Fund

Monthly Update as at 31 July 2024

PORTFOLIO MANAGER(S)



MIKE TAYLOR

Founder and Chief Investment Officer



TOBY WOODS*

Senior Investment Analyst for Global and UK & Europe Funds



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Investment Analyst - Global

*Toby Woods and Matt Young are responsible for research and analysis.

FUND COMMENTARY

The Property & Infrastructure Fund returned 3.8% during the month, bringing the return since its inception in December 2023 to 7.5%.

We've consistently emphasised that as inflation falls and interest rates decline, certain parts of the market can thrive. This insight prompted us to launch our Fixed Income Fund and Property & Infrastructure (P&I) Fund at the end of last year, anticipating the opportunity presented by falling rates. For those unfamiliar with why the P&I Fund would perform well during a declining interest rate environment, here's a quick recap:

Property and infrastructure companies often pay dividend yields, which become more appealing when interest rates decline. Additionally, they rely heavily on debt for construction, so as debt costs decrease, their profits rise. Lower interest rates also stimulate the market, leading to increased activity and higher property and infrastructure asset values.

Turning to the fund's positions, 10 holdings reported earnings in late July, with the standouts being American Tower, whose shares increased 13.5% for the month; Prologis, up 12.6%; and WEC Energy, which increased 10.8%. Summerset rose 15.8% for the month due to the halo effect of Arvida Group receiving a takeover offer at a 65% premium to the prior close.

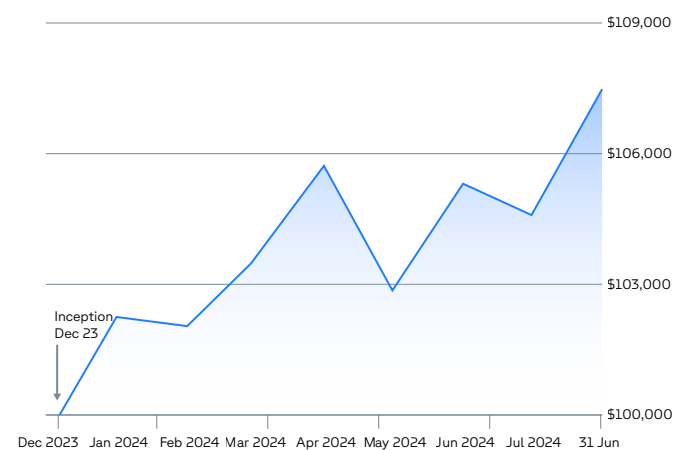
The fund recently initiated a position in Talen Energy, whose crown jewel is a 2.5GW nuclear power plant in the United States that sells electricity into the grid. Nuclear power is experiencing a renaissance as the world grapples with sourcing low-carbon baseload energy while fossil-fuel plants are retired and intermittent renewables expand. This is a perfect storm in the United States, occurring alongside growing demand due to AI (data centres), electric vehicles, and manufacturing reshoring. The grid that Talen Energy sells into recently held an auction for power to be delivered in 2025-2026, which saw prices jump from \$50/MW per day to \$270/MW per day. This significant increase validates our thesis of tight electricity supply in the United States due to coal plant retirements, higher demand, and limited new builds.

We believe we now have the wind firmly at our backs for the Property & Infrastructure Fund and look forward to taking advantage of the favourable conditions 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.



● Property & Infrastructure Fund

FUND DETAILS

Recommended minimum investment period	7 years
Objective	Capital growth over a period exceeding seven years.
Description	Invests predominantly in listed property and infrastructure securities, directly and/or through externally managed funds.
Inception date	5 December 2023
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; font-size: small;"> Lower Risk Higher Risk </div>



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PERFORMANCE

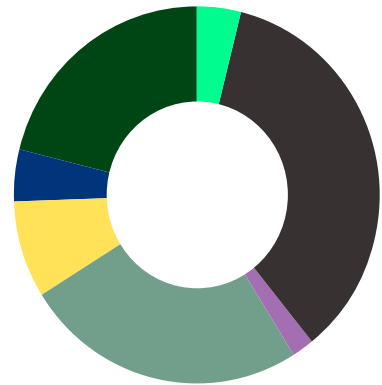
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Since inception
Property & Infrastructure Fund	3.8%					7.5%
MARKET INDEX*	5.1%					12.8%

Returns after fees but before individual PIR tax applied

*The market index is a composite index (70% S&P Global Infrastructure Fund Net Total Return Index (100% Hedged to NZD), 30% S&P Global REIT Total Return Index (100% Hedged to NZD))

INVESTMENT MIX

Cash (including Derivatives)	4.1%
European Equities	35.3%
UK Equities	1.8%
US and Canadian Equities	25.2%
New Zealand Equities	8.3%
Australian Equities	4.5%
Listed Property	20.9%



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

TOP FIVE HOLDINGS (EXCLUDING CASH)

E.ON SE
 Infratil Ltd
 Morrison & Co High Conviction Infrastructure Fund
 Talen Energy Corp
 Vonovia Se

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.07

RETURN SINCE INCEPTION

7.5%

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.