



Pie Fixed Income Fund

Monthly Update as at 30 June 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 1.1% during the month, taking the return since inception in December 2023 to 3.0%.

Bond markets performed well in most geographic regions as market interest rates broadly fell. In the US, bond markets benefited from better-than-expected news on inflation. After a string of worse-than-expected inflation reports in Q1, the latest readings suggest the disinflation process remains intact. Coupled with ongoing moderation in the US jobs market, the door remains open for interest rate cuts in 2024.

European government bonds had an action-packed month as French President Macron unexpectedly announced early elections. German government bond yields had a strong month as investors spurned French government bonds, which benefited the Fund given its overweight exposure to German government bonds.

New Zealand bonds also had a strong month, benefiting from the tailwind of lower global bond yields and mounting evidence of a slowing local economy. We continue to expect that the deterioration in the local economy will be sufficient to reduce remaining inflation pressures, resulting in the RBNZ cutting interest rates in the coming months.

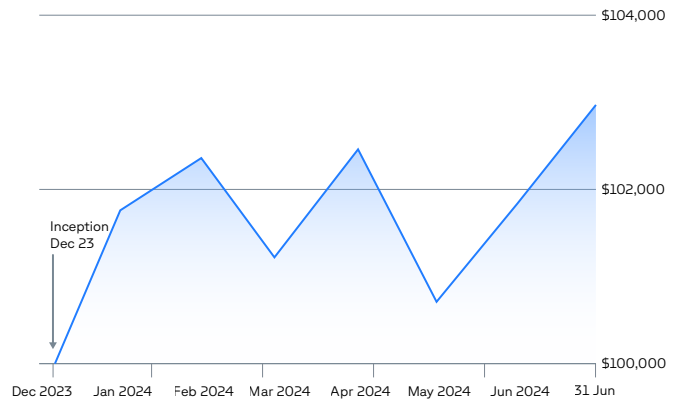
Trading activity focused on adjusting the interest rate duration profile of the portfolio. The Fund increased exposure to shorter-dated bonds and reduced exposure to longer-dated bonds, in anticipation of central bank rate cuts (which would cause front-end bond yields to fall faster than long-term bond yields). It also increased its overweight in New Zealand bonds relative to the benchmark on the expectation that a weak NZ economy will force the RBNZ to cut rates more than other central banks.

We continue to think that bond yields are attractive, providing a cushion against rates moving higher and potential for capital gains when rates fall.

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.



● 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;"> Potentially Lower Returns Potentially Higher Returns </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; 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
Fixed Income Fund	1.1%					3.0%
MARKET INDEX ¹	1.0%					3.9%

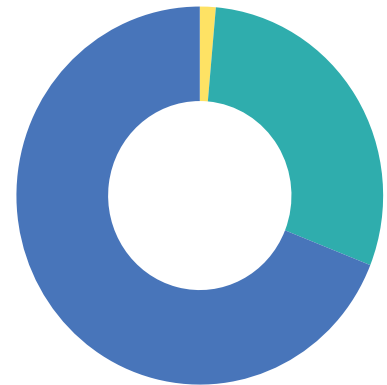
Returns after fees but before individual PIR tax applied

* 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)	1.4%
New Zealand Fixed Interest	29.6%
International Fixed Interest	69.0%

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

NZ Government 0.25% 15/05/2028

NZ Government 4.25% 15/05/2034

Pfizer Inc 4.65% 19/05/2030

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.03

RETURN SINCE INCEPTION

3.0%

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 June 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.