



Conservative Fund

Monthly Update as at 31 October 2024

PORTFOLIO MANAGER(S)



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FUND COMMENTARY

The Conservative Fund delivered a return of -1.2% in October, bringing its 12-month performance to 10.8%.

October posed a range of challenges for investors, with US election odds favouring Donald Trump, creating uncertainty about the potential market implications of a second term. This led to notable moves in gold, Bitcoin, and US bond yields, as concerns grew about inflation and the US deficit, which has reached historic peacetime highs.

The bond market, in particular, had a difficult month as government bond yields spiked, causing bond prices to fall. The US was at the centre of this volatility, with strong economic data prompting a reassessment of how much the Federal Reserve might cut rates. Additionally, the increased odds of a Trump presidency raised concerns about inflationary pressures and negative implications for bond markets.

In contrast, New Zealand bonds outperformed, supported by the latest CPI report showing inflation comfortably within the Reserve Bank's target range of 1-3%. We continue to believe that the OCR is excessively high and expect the RBNZ to cut interest rates by 0.75% at its November meeting.

With the US economy showing signs of a slowdown and the labour market cooling, it's unlikely that global interest rates will return to the peak levels seen in 2023. However, in the near term, the outcome of the US election remains a key determinant of global market trends.

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

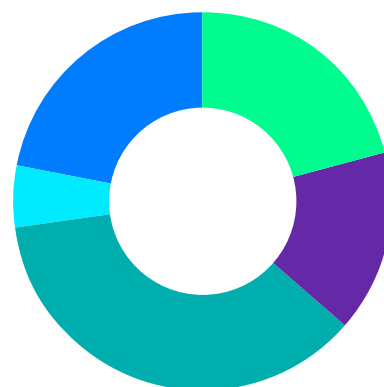
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Conservative Fund	-1.2%	10.8%	3.1%	3.4%	3.7%	4.0%
MARKET INDEX ¹	-0.5%	13.3%	4.2%	3.7%	4.3%	4.7%

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)	21.1%
New Zealand Fixed Interest	15.3%
International Fixed Interest	36.6%
Australasian Equities	5.3%
International Equities	21.7%



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

TOP FIVE HOLDINGS (EXCLUDING CASH)

ASB Bank Ltd 5.24% 18/10/2027
International Business Machine 3.625% 06/02/2031
Morrison & Co High Conviction Infrastructure Fund
Scentre Group 6.721% 10/09/2054
Transpower New Zealand Ltd 4.977% 29/11/2028

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.22

ANNUALISED RETURN SINCE INCEPTION

4.0% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 October 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.