



# Pie KiwiSaver 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 Pie KiwiSaver Conservative Fund returned 1.8% during the month, bringing it to a 12-month return of 10.0%.

Remarkably, this made it the top-performing KiwiSaver Fund in July, marking one of its best months since inception. The main drivers of returns were:

### 1. Bond Market Dynamics:

- 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.

### 2. US CPI Report Impact:

- 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.

### 3. Global Central Bank Actions:

- 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.

### 4. New Zealand and Future Expectations:

- 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.

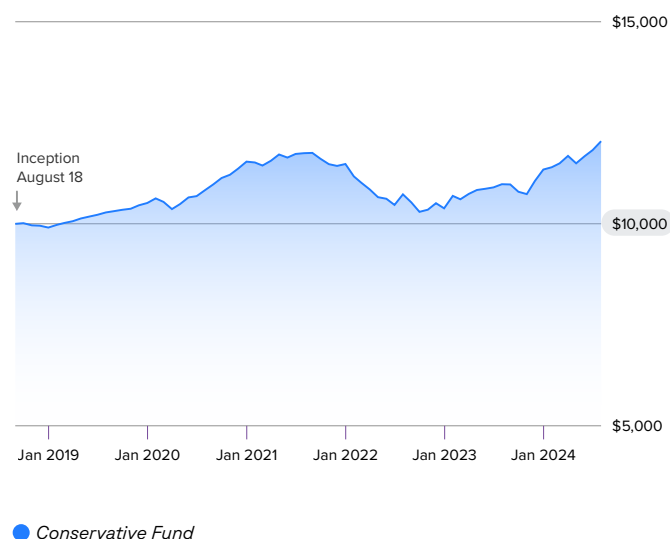
Equity markets continued their upward trend from June, reaching new record highs, with the mega-cap tech sector leading. However, by mid-month, the US CPI report caused significant drops in market interest rates, leading to a sharp rotation in equity markets. US small-cap equities rallied, while the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

Staying informed about market trends and fund performance is essential. If you have any specific questions or need further details, feel free to ask!

For more information on our funds, please visit [www.piefunds.co.nz/Investor-Documents](http://www.piefunds.co.nz/Investor-Documents)

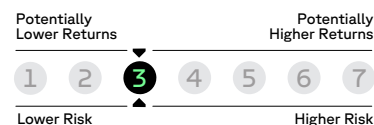
## CUMULATIVE FUND PERFORMANCE

If you had invested \$10,000 at inception, the graph below shows what it would be worth today, before tax.



## FUND DETAILS

Recommended minimum investment period	3 years
Objective	Seeks to preserve members' capital with modest growth over a period exceeding 3 years.
Description	Invests primarily in fixed interest and cash, with an allocation to equities, directly and/or through investment in the Pie KiwiSaver Balanced Fund and/or through other funds also managed by Pie Funds.
Inception date	August 2018
Risk indicator	





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## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
Conservative Fund	1.8%	10.0%	1.3%	3.7%	3.7%
MARKET INDEX <sup>1</sup>	1.8%	9.8%	3.4%	3.9%	4.5%

We report fund performance before fees and 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 and cash equivalents	22.4%
New Zealand Fixed Income	13.9%
International Fixed Income	38.3%
Australasian Equities	4.1%
International Equities	21.3%



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
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

# \$1.24

### ANNUALISED RETURN SINCE INCEPTION

# 3.7% p.a.

before fees and before tax



Information correct as at 31 July 2024. Pie Funds Management Limited is the manager and issuer of the Pie KiwiSaver Scheme. View our Product Disclosure Statement at [www.piefunds.co.nz](http://www.piefunds.co.nz). Any advice is given by Pie Funds Management Limited, and is general only. It 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 if you act on any advice. As manager of the Scheme we receive monthly fees that are determined by your balance and whether you are 13 years or over. We will benefit financially if you invest in our products. We manage any conflicts of interest via an internal compliance framework designed to ensure we meet our duties to you. For information about the advice we can provide, our duties and complaint process and how disputes can be resolved, visit [www.piefunds.co.nz](http://www.piefunds.co.nz). All content is correct at time of publication date, unless otherwise indicated. 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. Please let us know if you would like a hard copy of this disclosure information. This information is given in good faith and has been derived from sources believed to be reliable and accurate. However, neither Pie Funds nor any of its employees or directors give any warranty of reliability or accuracy.