



Pie Funds

Slice of Pie

KEEPING YOU UP TO DATE WITH PIE FUNDS AND THE MARKETS

ISSUE 186 • FEBRUARY 2024



Three Outlook Scenarios

A MESSAGE FROM MIKE

Positive Start from Mega-cap Tech



**“We exist to make
money for clients, so
performance matters
more than growing our
customer base.”**

Mike Taylor
Founder & CIO



A MESSAGE FROM MIKE



Three Outlook Scenarios

Positive Start from Mega-cap Tech

We are well into February now, and all the summer public holidays are firmly in the rear-view mirror, meaning it's "back to the grind," as they say. That usually signals the onset of more settled weather. I hope that 2024 has some positives in store for you and your loved ones.

We're pleased to share strong performance for a number of our funds over the last year, with the newly named Pie KiwiSaver Growth Fund ranking second for one year performance in its category in 2023.

If you haven't considered switching your KiwiSaver to Pie, then perhaps now's the time to give it some thought.

Markets had a mostly positive start to the year, with gains once again coming from mega-cap tech. This was especially true of the semiconductor sector, with renewed optimism about the potential growth from companies investing more in Artificial Intelligence (AI).

The main underperforming equity market in the month was China, which almost feels

uninvestable, compared to India which has outperformed China by around 100% in the last 5 years. I've recently returned from a short break to the Indian subcontinent, and it's evident to see that there is a growing middle class in this part of the world benefiting from strong economic growth. We access the Indian market in our Global Growth Funds.

Three Outlook Scenarios for the Coming Year(s)

I am a big fan of investment strategist Ed Yardeni, and you can find much of his research online for free at his website yardeni.com. He has suggested three outlook scenarios for the coming year(s) ahead, and I'll share them with you, as I agree with them and I can't find any reasonable alternatives:

- A 60% probability that the next five years will resemble the "roaring '20s" of 100 years ago. Just like back then, new technology, specifically in the form of AI, is going to drive significant productivity improvements, which in turn will help spur economic growth, prosperity, and new inventions.

- A 20% probability that the next few years will mirror the late 1990s tech bubble, where new technology (AI, like the internet before) will fuel a stock market bubble led by a narrow sector of the market. Yardeni doesn't see this as being all that bad; after all, the world recovered from the tech wreck pretty quickly. As for investors, if this does happen, beware of investing at the top because bubbles can deflate prices by 90%. Cisco, which was the poster child for the '90s boom, went up over 100 times in 5 years. NVDA, the namesake for this AI boom, is up around 10 times since pre-COVID and 5 times since ChatGPT hit the scenes. If we get this scenario, you want to strap in, because the most exciting part is usually the last 12 months. The Nasdaq was up 85.6% in 1999. Just remember your parachute.
- A 20% probability that we are in a 1970s-style inflationary period. During that time, it was successive wars in the Middle East

and skyrocketing oil prices that led to an inflationary spiral. As we are once again entering the breach in this region, whilst a lower probability, it's still a high-risk outcome if it occurs and worthy of keeping on the radar. Despite oil dependency being lower than when I was born, it's still a major part of the global economy.

So there you have it. With the current situation globally being falling inflation, resilient growth (particularly in the USA), combined with the potential for lower interest rates, the outlook does look pretty good. Prices aren't as cheap as a year ago, but nobody wants to buy when it's raining outside. It's not raining now, but remember the sunscreen in case it gets hot, and keep an umbrella handy.

Thank you again for your support. If you have any questions, please don't hesitate to email me on mike@piefunds.co.nz

Find out more

Fixed Income Fund

Property & Infrastructure Fund

Pie KiwiSaver Scheme



Mike Taylor
Founder and Chief
Investment Officer

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Market Watch

WHY YOUR KIWISAVER IS LOOKING SO HEALTHY...
AND COULD A DONALD TRUMP WIN SINK IT?

Founder & Chief Investment Officer Mike Taylor and the
NZ Herald's Liam Dann discuss the latest in markets.



MIKE TAYLOR
Founder and Chief Investment Officer

LIAM DANN
Business Editor at Large



Monthly Updates

KEEPING YOU UP TO DATE WITH PIE FUNDS AND THE MARKETS

 Pie Funds

 Pie KiwiSaver Scheme



Funds Snapshot

Monthly Update as at 31 January 2024

AUSTRALASIAN GROWTH		GLOBAL GROWTH		DIVERSIFIED		KIWISAVER	
FUND DETAILS							
	Fund Status	Inception Date	Unit Price	Standard Withdrawal Period	Lead Portfolio Manager(s)	Co-Portfolio Manager	
	Australasian Growth	OPEN	Dec-07	\$6.91	15 working days	Michael Goltsman	Mike Ross
	Australasian Emerging	CLOSED	Apr-13	\$6.08	15 working days	Kent Williams	Michelle Lopez
	Australasian Growth 2	OPEN	Aug-15	\$2.31	10 working days	Michelle Lopez	Kent Williams
	Australasian Dividend Growth	OPEN	Sep-11	\$4.27	10 working days	Mike Ross	Michael Goltsman
	Global Growth	OPEN	Sep-13	\$2.45	10 working days	Guy Thornewill, Toby Woods* & Mike Taylor	
	Global Growth 2	OPEN	May-18	\$1.25	5 working days	Guy Thornewill, Toby Woods* & Mike Taylor	
	Growth UK & Europe	OPEN	Nov-16	\$1.76	10 working days	Guy Thornewill, Toby Woods* & Mike Taylor	
	Conservative	OPEN	Apr-15	\$1.18	5 working days	Mike Taylor, Travis Murdoch	
	Fixed Income	OPEN	Dec-23	\$1.02	5 Working days	Travis Murdoch, Mike Taylor	
	Property & Infrastructure	OPEN	Dec-23	\$1.02	5 Working days	Mike Taylor, Toby Woods & Matt Young**	
	Chairman's***	OPEN	Sep-14	\$2.34	15 working days	Mike Taylor	Michelle Lopez
	Pie KiwiSaver Conservative		Aug-18	\$1.17		Mike Taylor, Travis Murdoch	
	Pie KiwiSaver Balanced		Aug-18	\$1.30		Mike Taylor, Travis Murdoch	
	Pie KiwiSaver Growth		Aug-18	\$1.48		Mike Taylor, Travis Murdoch	

*Guy Thornewill and Toby Woods are responsible for research and analysis

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

***Minimum investment is \$500,000

AUSTRALASIAN GROWTH		GLOBAL GROWTH		DIVERSIFIED		KIWISAVER	
PERFORMANCE							
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
	Australasian Growth	-0.8%	20.2%	-3.6%	7.2%	5.7%	12.8%
	Australasian Emerging	0.4%	15.4%	2.3%	13.3%	10.8%	18.2%
	Australasian Growth 2	-0.7%	1.0%	-6.9%	8.8%	8.9%	10.5%
	Australasian Dividend Growth	4.1%	14.5%	10.8%	13.5%	13.1%	15.7%
	Global Growth	-1.4%	2.5%	3.5%	10.1%	9.8%	9.1%
	Global Growth 2	0.3%	9.1%	2.7%	7.2%		4.1%
	Growth UK & Europe	0.8%	7.1%	1.5%	8.1%	7.9%	8.2%
	Conservative	0.3%	6.3%	2.0%	3.3%	3.6%	3.8%
	Fixed Income	0.2%					2.4%*
	Property & Infrastructure	-0.7%					2.0%*
	Chairman's	0.5%	8.5%	2.0%	9.9%	9.1%	9.5%
	Pie KiwiSaver Conservative	0.5%	7.0%	0.2%	3.2%		3.0%
	Pie KiwiSaver Balanced	0.9%	9.9%	-0.8%	5.8%		5.0%
	Pie KiwiSaver Growth	1.0%	11.2%	-1.8%	9.0%		7.7%

Figures are after fees and before any individual tax except for the KiwiSaver returns which are before fees and any individual tax.

* Since inception, not annualised



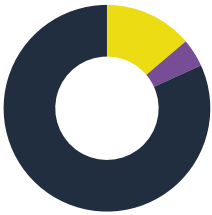
Funds Snapshot

Monthly Update as at 31 January 2024

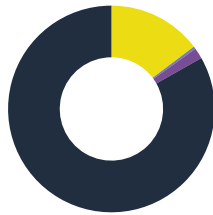
TOTAL FUNDS UNDER MANAGEMENT: \$2.5b¹

INVESTMENT MIX

AUSTRALASIAN GROWTH



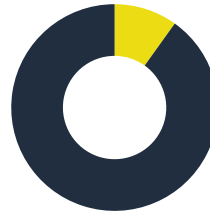
AUSTRALASIAN EMERGING



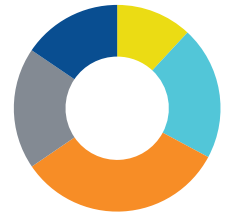
AUSTRALASIAN GROWTH 2



AUSTRALASIAN DIVIDEND GROWTH



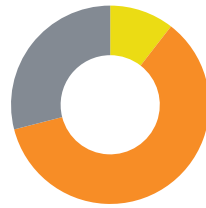
GLOBAL GROWTH



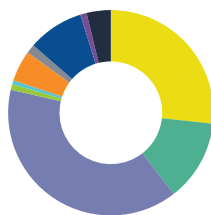
GLOBAL GROWTH 2



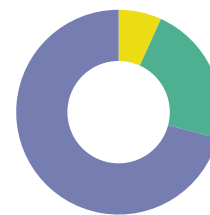
GROWTH UK & EUROPE



CONSERVATIVE



FIXED INCOME



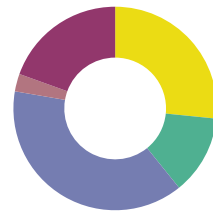
PROPERTY & INFRASTRUCTURE



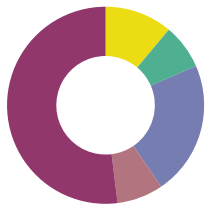
CHAIRMAN'S



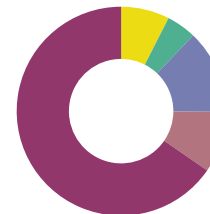
PIE KIWISAVER CONSERVATIVE



PIE KIWISAVER BALANCED



PIE KIWISAVER GROWTH



Cash and cash equivalents*

Asian equities

UK equities

Australian equities

New Zealand fixed income

Emerging markets equities

US and Canadian equities

Listed property

International fixed interest

European equities

New Zealand equities

Australasian equities

International equities

*including short and long derivatives



Pie Funds

1. Total funds under management includes \$566.6m of interfund investments ie Chairman's Fund investing into other funds.

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