



# Funds Snapshot

Monthly Update as at 31 December 2023

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	\$6.97	15 working days	Michael Goltsman	Mike Ross
	Australasian Emerging	CLOSED	Apr-13	\$6.05	15 working days	Kent Williams	Michelle Lopez
	Australasian Growth 2	OPEN	Aug-15	\$2.33	10 working days	Michelle Lopez	Kent Williams
	Australasian Dividend Growth	OPEN	Sep-11	\$4.10	10 working days	Mike Ross	Michael Goltsman
	Global Growth	OPEN	Sep-13	\$2.48	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	\$1.75	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	\$1.03	5 Working days	Mike Taylor, Toby Woods & Matt Young**	
	Chairman's***	OPEN	Sep-14	\$2.32	5 working days	Mike Taylor	Michelle Lopez
	Pie KiwiSaver Conservative		Aug-18	\$1.16		Mike Taylor, Travis Murdoch	
	Pie KiwiSaver Balanced		Aug-18	\$1.29		Mike Taylor, Travis Murdoch	
	Pie KiwiSaver Growth		Aug-18	\$1.47		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	5.4%	25.2%	-3.6%	7.6%	5.6%	8.0%	13.0%
	Australasian Emerging	6.9%	18.1%	2.2%	13.7%	10.9%	14.2%	18.3%
	Australasian Growth 2	7.4%	6.9%	-5.5%	10.1%	8.9%		10.7%
	Australasian Dividend Growth	4.3%	15.2%	9.1%	12.5%	12.3%	12.3%	15.5%
	Global Growth	7.7%	10.4%	3.8%	10.7%	10.0%	9.3%	9.3%
	Global Growth 2	3.8%	16.7%	2.0%	7.3%			4.1%
	Growth UK & Europe	8.2%	10.1%	1.7%	8.1%	7.9%		8.2%
	Conservative	2.3%	8.8%	1.8%	3.3%	3.5%		3.8%
	Fixed Income**							
	Property & Infrastructure*							
	Chairman's	6.3%	13.4%	1.9%	10.2%	9.0%		9.6%
	Pie KiwiSaver Growth	4.0%	17.1%	-2.2%	9.5%			7.6%
	Pie KiwiSaver Balanced	3.5%	14.5%	-1.2%	6.0%			4.9%
	Pie KiwiSaver Conservative	2.5%	9.6%	0.0%	3.3%			2.9%

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

\*The Pie Property & Infrastructure Fund and the Pie Fixed Income Fund opened for investment on 5 December 2023, therefore past performance information is not currently available.



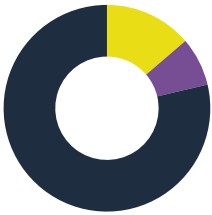
# Funds Snapshot

Monthly Update as at 31 December 2023

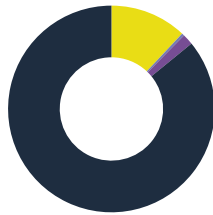
TOTAL FUNDS UNDER MANAGEMENT: \$2.5b<sup>1</sup>

## INVESTMENT MIX

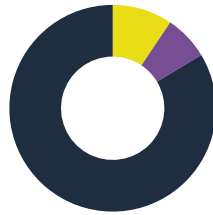
AUSTRALASIAN GROWTH



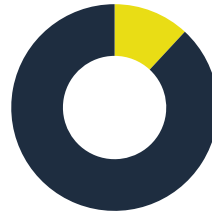
AUSTRALASIAN EMERGING



AUSTRALASIAN GROWTH 2



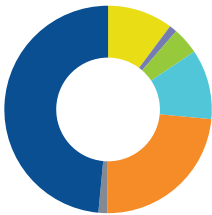
AUSTRALASIAN DIVIDEND GROWTH



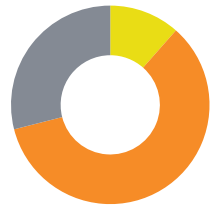
GLOBAL GROWTH



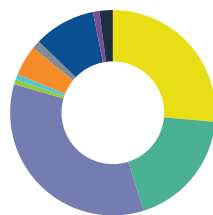
GLOBAL GROWTH 2



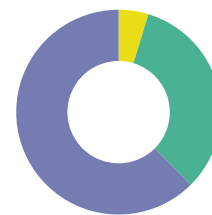
GROWTH UK & EUROPE



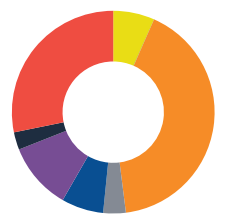
CONSERVATIVE



FIXED INCOME



PROPERTY & INFRASTRUCTURE



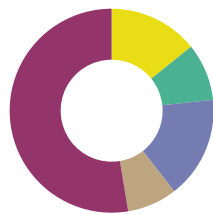
CHAIRMAN'S



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 \$570.1m of interfund investments ie Chairman's Fund investing into other funds.

Information is current as at 31 December 2023. Pie Funds Management Limited is the manager of the funds in the Pie Funds Management Scheme and the Pie KiwiSaver Scheme (the Schemes). Any advice is given by Pie Funds Management Limited and 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 Schemes' 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](http://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.



# Australasian Growth Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**MICHAEL GOLTSMAN**  
Lead Portfolio Manager



**MIKE ROSS**  
Co-Portfolio Manager

## FUND COMMENTARY

The Australasian Growth Fund returned 5.4% in December, bringing it to a 12-month return of 25.2%.

The market was red hot in December with growth stocks in particular performing strongly as yields continued their decline. The benchmark S&P/ASX Small Ordinaries Total Return Index increased by 7.4% during the month.

There was a flurry of takeovers announced in the ASX small cap sector with two of our portfolio companies receiving takeover bids this month. Private buyer interest in public market assets reinforces our belief that small caps are highly undervalued, particularly relative to private market valuations, which is a supportive dynamic for future returns.

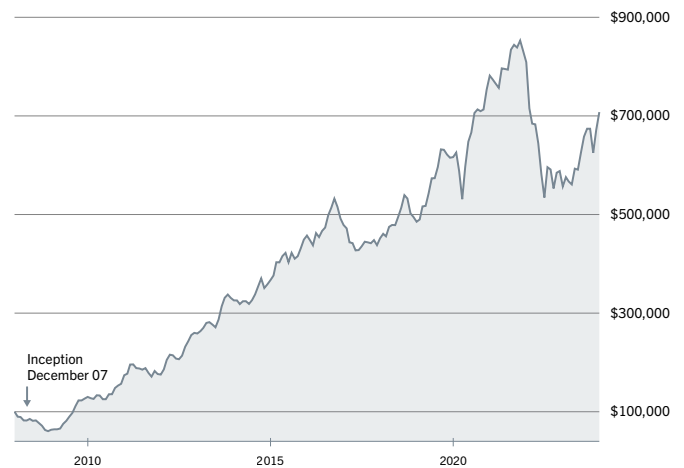
Probiotec's share price rose 18.4% after receiving a \$3.00 takeover offer from Indonesian listed Pyrdiam. There is also the opportunity to receive dividends, taking the effective offer price to \$3.075 per share. This has been a long-term holding for the fund with the company displaying key characteristics that we look for including being founder led and a beneficiary of a strong secular trend from the push to onshore pharmaceutical production.

Pacific Smiles was up 33.9% following a \$1.40 bid by private equity group Genesis Capital. The share price is currently trading above the takeover price, suggesting that the bid is opportunistic and undervalues the quality of its 130-clinic network. Given the extent of new clinic openings over the past four years, we see strong opportunity for capital-light growth in the years ahead as these clinics mature.

Cash has decreased to 13.7% and the number of holdings has reduced by 1 to 26 this month.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● Australasian Growth Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian smaller companies.
Inception date	December 2007
Standard withdrawal period	15 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px 5px;">5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>

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# Australasian Growth Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Australasian Growth Fund</b>	5.4%	25.2%	-3.6%	7.6%	5.6%	8.0%	13.0%
<b>MARKET INDEX<sup>1</sup></b>	7.4%	8.0%	1.1%	6.9%	6.4%	5.9%	0.8%

Returns after fees but before individual PIR tax applied

1. S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P/ASX Small Ordinaries Total Return Index (NZD unhedged)

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	13.7%
<span style="color: purple;">●</span> New Zealand Equities	7.6%
<span style="color: darkblue;">●</span> Australian Equities	78.6%



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

## TOP FIVE EQUITY HOLDINGS

Clearview Wealth Ltd
IPD Group Ltd
Life360 Inc
Mach7 Technologies Ltd
Reject Shop Ltd/The

Holdings are listed in alphabetical order.

### UNIT PRICE

# \$6.97

### ANNUALISED RETURN SINCE INCEPTION

# 13.0% p.a.

after fees and before tax

### FUND STATUS

CLOSED

OPEN



## Pie Funds

Information is current as at 31 December 2023. Pie Funds Management Limited is the manager of the funds in the Pie Funds Management Scheme. Any advice is given by Pie Funds Management Limited and 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](http://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.



# Australasian Dividend Growth Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**MIKE ROSS**

Lead Portfolio Manager



**MICHAEL GOLTSMAN**

Co-Portfolio Manager



## FUND COMMENTARY

The Dividend Fund returned 4.3% in December bringing it to a 12-month return of 15.2%.

December was a strong month for equities as bond yields declined. The Small Ordinaries Total Return Index finished the month 7.4% higher and delivered a return of 8% over the 2023 calendar year.

Key contributors to performance during the month included MMA Offshore, which rallied a further 18% post a strong earnings update in November. Credit Corp's share price increased by 25% in December. Our decision to add to what was a small position when the stock was trading at book value has worked well so far. Maas Group returned 10% on no news. Its share price is being rewarded as industry conditions appear to be improving in its building materials and industrial businesses and lower rates would be positive for its property operations. GQG Partners rallied 13% on the strong market backdrop and continued solid inflows.

Detractors included our holding in AUB Group, which finished the month 1.4% lower. It has underperformed in recent months presumably because investors have sold defensive growth companies to fund other investments that suit the "risk-on" mood.

Portfolio positioning at the beginning of 2024 is best described as "balanced". We try not to take a strong view on the outlook for the broader economy, instead focusing on finding strong businesses that are under-appreciated by the market. We continue to hold a core group of companies we believe can compound earnings at attractive rates with less sensitivity to the macro. Should these companies meet our expectations, we generally see upside risk to valuations. We have also built a number of positions where earnings might be less defensive but where we have a non-consensus view. This should mean the risk/reward is stacked in our favour. These include businesses with strong growth prospects and the potential to become much larger, as well as mis-priced cyclical growth companies.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● Australasian Dividend Growth Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Generate income and capital growth over a period exceeding 5 years.
Description	Invests predominantly in listed Australasian smaller and medium growth companies paying dividends or that will produce cash-flow for future distributions.
Inception date	September 2011
Standard withdrawal period	10 working days
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 <b>6</b> 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Australasian Dividend Growth Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Australasian Dividend Growth Fund</b>	4.3%	15.2%	9.1%	12.5%	12.3%	12.3%	15.5%
<b>MARKET INDEX<sup>1</sup></b>	7.4%	8.0%	1.1%	6.9%	6.4%	5.9%	3.3%

Returns after fees but before individual PIR tax applied

1. S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P/ASX Small Ordinaries Total Return Index (NZD unhedged)

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	11.9%
<span style="color: darkblue;">●</span> Australian equities	88.1%



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

## TOP FIVE EQUITY HOLDINGS

AUB Group Limited
Aussie Broadband Pty Ltd
Johns Lyng Group LTD
Karoon Gas Australia Ltd
Mermaid Marine Australia Ltd

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$4.10**

### ANNUALISED RETURN SINCE INCEPTION

**15.5% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



**Pie Funds**

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# Australasian Emerging Companies Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**KENT WILLIAMS**

Lead Portfolio Manager



**MICHELLE LOPEZ**

Head of Australasian Equities and Lead Portfolio Manager

## FUND COMMENTARY

The Emerging Companies Fund returned 6.9% in December, bringing it to a 12-month return of 18.1%.

December was another strong month and rounded out a strong year for equities globally, particularly large caps and developed markets. The Emerging Companies Fund performed well in 2023, delivering returns materially above all ASX related indices.

The key contributors to performance in December were Duratec, MMA Offshore and Dropsuite. There were no stocks held in the fund that materially detracted during the month.

Duratec continued its stellar run, rallying c.28% off the back of an investor roadshow. The runway for growth in this business remains strong, underpinned by the defence spend thematic over the next few years, with the company still trading on an attractive valuation.

MMA Offshore also had another strong month, benefiting from the uptick in global OSV rates with investors appreciating the multi year thematic coupled with very attractive valuations.

Dropsuite rallied as investors reassess the multi year growth story of this business after hesitations from Microsoft's launch of their Syntex product. We believe investors are starting to appreciate the strength of Dropsuite's offering and the fact that Microsoft's product does not compete directly with Dropsuite.

December was an exceptional month for small caps globally, with small caps outperforming large cap indices. Given the nature of small caps, we see this as a positive sign for equity markets going forward. Additionally, the setup for 1Q 2024 is looking promising for global equity markets, with a strong end to 2023 and significant liquidity injections in the US in 1Q 2024, which are set to be one of the fastest liquidity injections on record.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian emerging companies.
Inception date	April 2013
Standard withdrawal period	15 working days
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Australasian Emerging Companies Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Australasian Emerging Companies Fund</b>	6.9%	18.1%	2.2%	13.7%	10.9%	14.2%	18.3%
<b>MARKET INDEX<sup>1</sup></b>	6.7%	-0.2%	3.7%	13.6%	8.7%	7.9%	5.7%

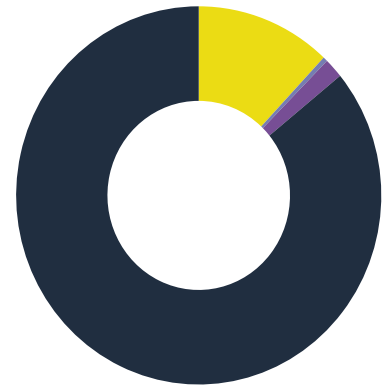
Returns after fees but before individual PIR tax applied

1. S&P/ASX Emerging Companies Index Total Return (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P/ASX Emerging Companies Index Total Return (NZD unhedged)

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	12.0%
<span style="color: blue;">●</span> Global fixed income	0.4%
<span style="color: purple;">●</span> New Zealand Equities	1.7%
<span style="color: darkblue;">●</span> Australian Equities	85.9%

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



## TOP FIVE EQUITY HOLDINGS

Duratec Ltd
Fleetwood Ltd
IPD Group Ltd
Mermaid Marine Australia Ltd
Service Stream LTD

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$6.05**

### ANNUALISED RETURN SINCE INCEPTION

**18.3% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



**Pie Funds**

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# Australasian Growth 2 Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



### MICHELLE LOPEZ

Head of Australasian Equities and Lead Portfolio Manager



### KENT WILLIAMS

Co-Portfolio Manager

## FUND COMMENTARY

The Australasian Growth 2 Fund returned 7.4% in December bringing it to a 12 month return of 6.9%

Australian shares surged in December as bond yields continued to retrace, positively impacting rate sensitive sectors the most, including Growth and Real Estate. The benchmark S&P/ASX MidCap 50 and Small Ordinaries Index increased by 7.3% during the month.

Amongst our top contributors were Ridley Corp (+19.6%), Centuria Capital (+25.3%) and Aroa Biosurgery (+12.2%). Ridley announced the acquisition of Oceania Meat Processors, which is well aligned to their growth strategy, adding immediate scale and capability and offering a number of synergies over time across shared services and operational efficiencies. Centuria Capital is a direct beneficiary of lower bond yields (imply lower cap rates), providing solid valuation upside.

Partially offsetting the strong performance was IDP Education (-11.6%). The company's share price was negatively impacted by the Australian Government's student migration policy reforms that could potentially impact student placement volumes. Whilst this is not the part of the market that IDP focus on, it incrementally adds to the series of negative news-flow from other markets (UK student policy and competition in the Canadian testing market).

We continued to reduce cash levels throughout the month, initiating two new positions in companies in which we see material earnings upside. Looking forward, we are cautiously optimistic. There are still risks on the horizon, however, in a deflationary environment and less restrictive monetary conditions ahead, we expect the positive momentum to continue into 2024.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● Australasian Growth 2 Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian smaller and medium companies.
Inception date	August 2015
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span>5</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px 5px;">6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>

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# Australasian Growth 2 Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

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<b>Australasian Growth 2 Fund</b>	7.4%	6.9%	-5.5%	10.1%	8.9%	10.7%
<b>MARKET INDEX<sup>1</sup></b>	7.3%	5.9%	0.4%	6.5%	6.1%	6.9%

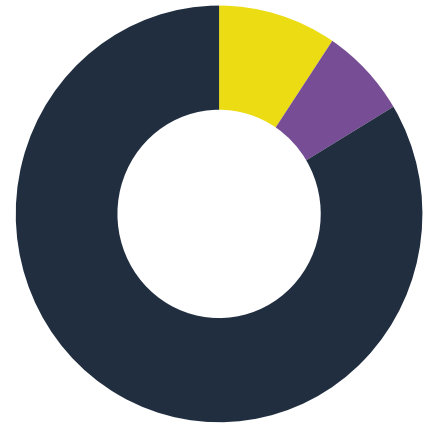
Returns after fees but before individual PIR tax applied

1. S&P/ASX Mid Cap 50 & Small Ordinaries Daily 50/50 Blend Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P/ASX Mid Cap 50 & Small Ordinaries Daily 50/50 Blend Total Return Index (NZD unhedged)

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	9.4%
<span style="color: purple;">●</span> New Zealand Equities	7.0%
<span style="color: darkblue;">●</span> Australian Equities	83.6%

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



## TOP FIVE EQUITY HOLDINGS

Aroa Biosurgery Ltd
CSR Limited
HUB24 Limited
Resmed Inc
Seven Group Holdings Ltd

Holdings are listed in alphabetical order.

### UNIT PRICE

# \$2.33

### ANNUALISED RETURN SINCE INCEPTION

# 10.7% p.a.

after fees and before tax

### FUND STATUS

CLOSED

OPEN



## Pie Funds

Information is current as at 31 December 2023. Pie Funds Management Limited is the manager of the funds in the Pie Funds Management Scheme. Any advice is given by Pie Funds Management Limited and 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](http://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.



# Global Growth Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**GUY THORNEWILL\***  
Head of Global Research



**TOBY WOODS\***  
Senior Investment Analyst



**MIKE TAYLOR**  
Founder and Chief Investment Officer

\*Guy Thornehill and Toby Woods are responsible for research and analysis

## FUND COMMENTARY

The Global Growth Fund rose 7.7% during the month, taking it to a 12-month return of 10.4%.

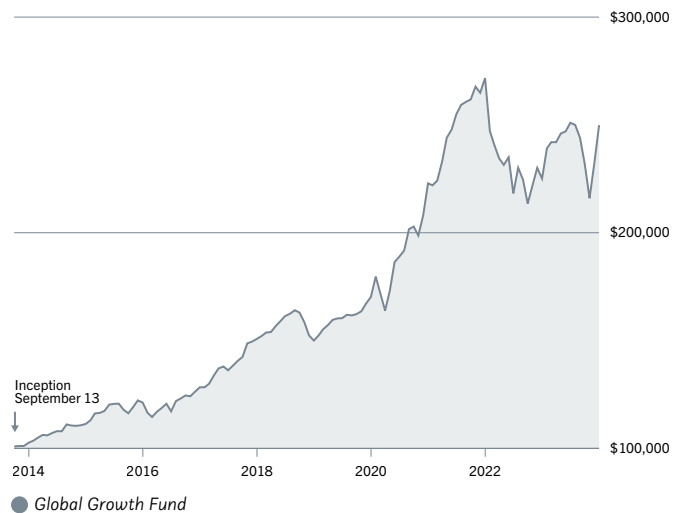
The equity market rally from November continued into December, and the fund benefitted as many of our holdings moved up further towards levels that we consider to be fair value. However, we still believe there is quite some way to go in this regard. The path higher won't be a straight line, but we remain optimistic for good returns in 2024, with inflation now largely under control and interest rates on a downward path.

During the month, the fund had four stocks that were up more than 20%, three of which are long term holdings in DiscoverIE, Bufab and SES imagotag. DiscoverIE released interim figures that showed margins had improved more than expected, and its pipeline for future orders looks promising since design wins, a key indicator, grew 23%. Bufab held a Capital Markets Day where it raised its margin guidance from 12% to 14%, well above expectations, and SES imagotag completed a debt refinancing. Hillman Solutions, the US home improvement supplier, also rose more than 20% on no news, although lower interest rates helped given its financial leverage.

The fund added two new positions in December. Firstly, we started a holding in Intercos, which is a leading outsourcing partner to the beauty industry, helping a wide variety of customers to design and manufacture make-up, hair and body, and skin care products. We have known this company for a while and have always liked its diversified customer base, geographical spread and multi-product approach. Organic growth has averaged 16% for the past four years and will be supported in the future by bolt on acquisitions. Secondly, we bought back into Tecan, a high-quality Swiss manufacturer of automation and diagnostic equipment for the life sciences market. We anticipate spending in this area recovering in 2024 after a tougher year in 2023 due mainly to destocking.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed international smaller companies, international managed funds and other products issued by Pie Funds.
Inception date	September 2013
Standard withdrawal period	10 working days
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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



# Global Growth Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Global Growth Fund</b>	7.7%	10.4%	3.8%	10.7%	10.0%	9.3%	9.3%
<b>MARKET INDEX<sup>1</sup></b>	6.8%	17.8%	7.9%	11.3%	9.4%	9.7%	10.1%

Returns after fees but before individual PIR tax applied

1. S&P Global SmallCap Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously S&P Global SmallCap Total Return Index (NZD unhedged)

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	12.2%
<span style="color: cyan;">●</span> Emerging Market Equities	20.8%
<span style="color: orange;">●</span> European Equities	31.5%
<span style="color: grey;">●</span> UK Equities	17.4%
<span style="color: blue;">●</span> US and Canadian Equities	18.1%



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

## TOP FIVE EQUITY HOLDINGS

Bufab AB (publ)
Discoverie Group PLC
Frp Advisory Group PLC
Grupo Traxion SAB de CV
William Blair SICAV

Holdings are listed in alphabetical order.

### UNIT PRICE

# \$2.48

### ANNUALISED RETURN SINCE INCEPTION

# 9.3% p.a.

after fees and before tax

### FUND STATUS

CLOSED

OPEN



## Pie Funds

Information is current as at 31 December 2023. Pie Funds Management Limited is the manager of the funds in the Pie Funds Management Scheme. Any advice is given by Pie Funds Management Limited and 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](http://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.



# Growth UK & Europe Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**GUY THORNEWILL\***  
Head of Global Research



**TOBY WOODS\***  
Senior Investment Analyst



**MIKE TAYLOR**  
Founder and Chief Investment Officer

\*Guy Thornehill and Toby Woods are responsible for research and analysis

## FUND COMMENTARY

The Growth UK and Europe Fund returned 8.2% during the month, bringing it to a 12-month return of 10.1%.

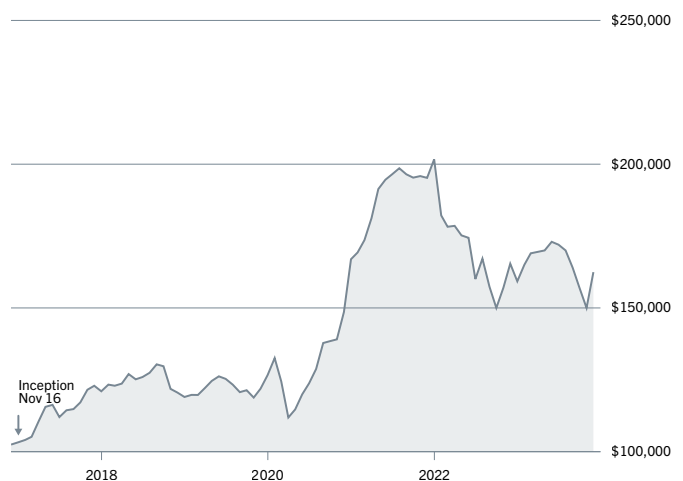
European equities continued to rebound in December, as underlying economies in the region remained resilient. With interest rates appearing to have peaked and recession fears subsiding, market participants are looking into 2024 with renewed optimism. We are feeling confident for the prospects of the fund, which is well positioned to continue with the current momentum.

During the month, the fund had four stocks that were up more than 20%, three of which are long term holdings of DiscoverIE, SES Imagotag and Bufab. Whilst there was no specific news from the latter two, DiscoverIE released interim figures that helped propel the share price. It disclosed that margins had improved better than expected, while its pipeline for future orders looks promising since design wins, a key indicator, grew 23%. On the negative side, only three stocks failed to advance which included two long term holdings, BioGaia and Boku. Neither stock released any information to the market, but there are valid concerns that BioGaia's major shareholder EQT may sell down its 11% position due to the closing of the private equity fund which holds it. One option is for the company to buy the shares itself, which it could do with its large cash pile. We would support this action.

The fund added one new position. Interco is a leading outsourcing partner to the beauty industry, helping a wide variety of customers to design and manufacture make-up, hair and body, and skin care products. We have known this company for a while and have always liked its diversified customer base, geographical spread and multi-product approach. Organic growth has averaged 16% for the past four years and will be supported in the future by bolt on acquisitions. Finally, the fund divested Musti following a takeover bid and Impax AM after the shares rebounded.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● Growth UK & Europe Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed UK & European smaller companies.
Inception date	November 2016
Standard withdrawal period	10 working days
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 <b>5</b> 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Growth UK & Europe Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
<b>Growth UK &amp; Europe Fund</b>	8.2%	10.1%	1.7%	8.1%	7.9%	8.2%
<b>MARKET INDEX<sup>1</sup></b>	5.3%	16.5%	3.5%	8.7%	7.9%	8.5%

Returns after fees but before individual PIR tax applied

1. S&P Europe Small Cap Gross Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously MSCI Europe Small Cap Net Return Index (NZD unhedged)

## INVESTMENT MIX

Cash (including Derivatives)	11.6%
European Equities	60.0%
UK Equities	28.4%



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

## TOP FIVE EQUITY HOLDINGS

Bufab AB (publ)
Bytes Technology Group PLC
Discoverie Group PLC
Do & Co AG
Nexus AG

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$1.75**

### ANNUALISED RETURN SINCE INCEPTION

**8.2% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



**Pie Funds**

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# Global Growth 2 Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**GUY THORNEWILL\***  
Head of Global Research



**TOBY WOODS\***  
Senior Investment Analyst



**MIKE TAYLOR**  
Founder and Chief Investment Officer

\*Guy Thornehill and Toby Woods are responsible for research and analysis

## FUND COMMENTARY

The Global Growth 2 Fund rose 3.8% during the month, taking its 12-month return to 16.7%.

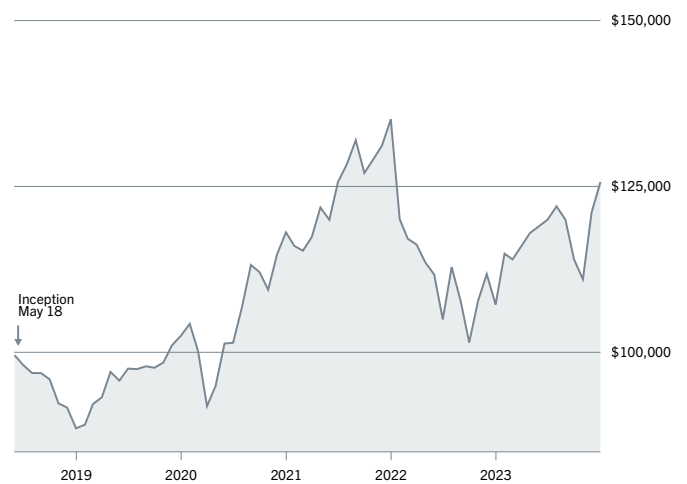
The global equity market rally from November continued into December, and the fund benefitted as many of our holdings moved up further towards levels that we consider to be fair value. However, we still believe there is quite some way to go in this regard. The path higher won't be a straight line, but we remain optimistic for good returns in 2024, with inflation now largely under control and interest rates on a downward path. The mega cap technology stocks in the US have started to underperform recently, but we are underweight this area of the market.

Many of the fund's holdings enjoyed double digit returns during the month. Alexandria Real Estate, which operates properties for the life sciences sector in the US, rose 17%, with sentiment aided by lower interest rates. Beijer Ref, which distributes heating and ventilation equipment globally, has been a poor performer since purchase due to destocking, but rose 16% in the month and announced some new acquisitions. Sika, a high-quality Swiss specialty chemical company, rose 15%, and Costco, the large US discount retailer, rose 14% after announcing a special dividend and solid same store sales indicating further market share gains.

During the month we switched some of our travel exposure from Airbnb into Booking Holdings. Airbnb had performed strongly recently and was less attractively valued relative to Booking Holdings, which we view as a solid compounder. Furthermore, Airbnb is more geared to the downside given its higher operating leverage, and we are concerned that its average daily rates are likely to come under pressure having been a huge tailwind across the last few years. In contrast, Booking Holdings should continue to take share of the hotel and alternative accommodation booking market, and any share gains could actually accelerate if there is an economic slowdown.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● Global Growth 2 Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed international large companies.
Inception date	May 2018
Standard withdrawal period	Up to 5 working days
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 <b>5</b> 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Global Growth 2 Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

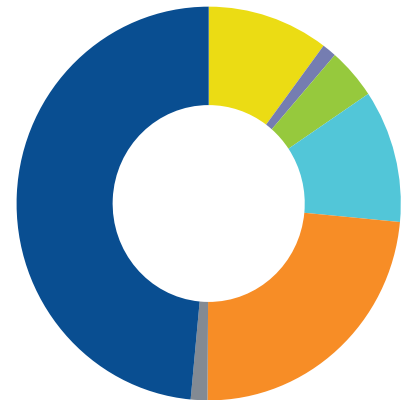
	1 month	1 yr	3 yrs (p.a.)	5yrs (p.a.)	Annualised since inception
<b>Global Growth 2 Fund</b>	3.8%	16.7%	2.0%	7.3%	4.1%
<b>MARKET INDEX<sup>1</sup></b>	3.4%	22.4%	9.1%	11.4%	8.7%

Returns after fees but before individual PIR tax applied

1. S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD). Note: Benchmark update on 5th Dec 2023, previously MSCI ACWI Index (NZD unhedged)

## INVESTMENT MIX

Cash (including Derivatives)	10.2%
Global Fixed Income	1.2%
Asian Equities	4.2%
Emerging Market Equities	10.9%
European Equities	23.6%
UK Equities	1.4%
US and Canadian Equities	48.5%



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

## TOP FIVE EQUITY HOLDINGS

Amazon.Com Inc
Apple Inc
Microsoft Corporation
Schneider Electric SE
William Blair SICAV

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$1.25**

### ANNUALISED RETURN SINCE INCEPTION

**4.1% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



**Pie Funds**

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# Conservative Fund

Monthly Update as at 31 December 2023



## PORTFOLIO MANAGER(S)



### MIKE TAYLOR

Founder and Chief Investment Officer



### TRAVIS MURDOCH

Head of Fixed Income and Portfolio Manager

## FUND COMMENTARY

The Conservative Fund returned 2.3% in December, bringing it to a 12-month return of 8.8%.

Market optimism turned somewhat euphoric in December amidst growing confidence that central banks are engineering a soft landing. In the US, economic data continued to support this thesis, with inflation continuing to fall and economic growth holding firm.

Returns for the month were broad based coming from both our holdings in stocks and bonds, thanks in part to the Fed who delivered an early Christmas present, telling markets that they are actively considering interest rate cuts.

The final two months of 2023 offered a rally in almost everything with falling inflation resulting in lower bond yields (higher bond prices) and in turn a positive environment for stocks. In particular many of the sectors which have struggled with higher interest rates, such as property, infrastructure and small caps staged a comeback to finish off 2023.

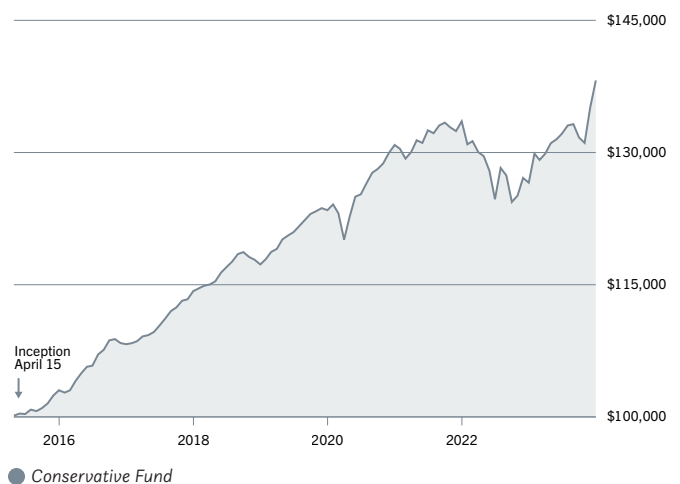
Corporate bonds had a strong month across the board, and the Fund benefited from an overweight position in NZ Dollar bonds which outperformed after weak GDP data raised the spectre of earlier than anticipated rate cuts.

Looking forward, the environment for markets remains favourable as inflation continues to recede, putting central banks in the position to start cutting rates. Healthy bond yields should continue to underpin the Fund and provide a cushion to the equity portfolio if economies weaken and central banks cut interest rates faster than expected.

Finally, we are pleased to say that the 2023 performance was the Fund's best year since inception.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



## 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	<p>Potentially Lower Returns      Potentially Higher Returns</p> <p>1   2   3   4   5   6   7</p> <p>Lower Risk      Higher Risk</p>

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



# Conservative Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

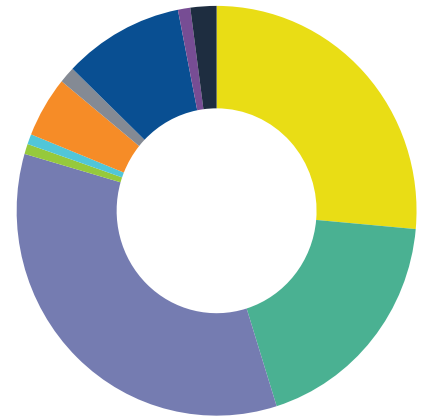
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
<b>Conservative Fund</b>	2.3%	8.8%	1.8%	3.3%	3.5%	3.8%
<b>MARKET INDEX<sup>1</sup></b>	2.9%	9.9%	2.5%	4.2%	4.2%	4.3%

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)). Note: Benchmark update on 5th Dec 2023, previously 25% NZBond Bank Bill Index (NZD), 30% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD), 20% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD), 5% S&P/ASX All Ordinaries Accumulation Index (NZD unhedged), 15% MSCI ACWI IMI Net Total Return Index (NZD unhedged), 5% S&P Global REIT Total Return Index (NZD unhedged)

## INVESTMENT MIX

Cash/other (including short and long derivatives)	26.4%
New Zealand fixed income	18.7%
Global fixed income	34.3%
Asian Equities	0.8%
Emerging Market Equities	0.8%
European equities	4.8%
UK equities	1.3%
US and Canadian equities	9.7%
New Zealand equities	1.0%
Australian equities	2.1%



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

## TOP FIVE HOLDINGS (EXCLUDING CASH)

IBM Bond 3.625% 06/02/2031

Morrison & Co High Conviction Infrastructure Fund

NZ Local Gov Funding Bond 4.5% 15/05/2030

Reckitt Benckiser 3.625% 14/09/2028

US Treasury Bill 5% 30/09/2025

Holdings are listed in alphabetical order and exclude cash.

### UNIT PRICE

**\$1.18**

### ANNUALISED RETURN SINCE INCEPTION

**3.8% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



**Pie Funds**

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# Pie Fixed Income Fund

Monthly Update as at 31 December 2023

## 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 1.8% since inception (5 December 2023).

Market optimism turned somewhat euphoric in December amidst growing confidence that central banks are engineering a soft landing. In the US, economic data continued to support this thesis, with inflation continuing to fall and economic growth holding firm.

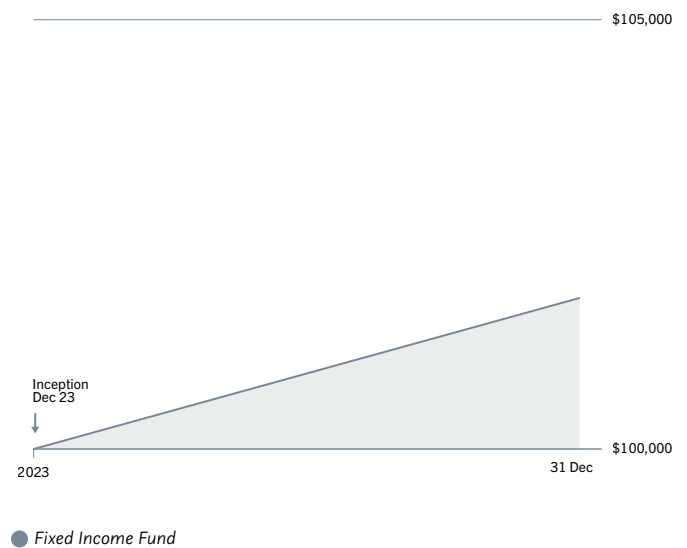
The Fed delivered an early Christmas present, telling markets that they are actively considering interest rate cuts. The so-called Fed pivot caused rates to move another leg lower (bond prices higher) and equity markets to move another leg higher.

Whilst the December rate moves were significantly smaller than those in November, the Fund was still able to post a strong first month. The Fund primarily invests in corporate bonds, which enhanced returns for the month as corporate bonds outperformed government bonds. The Fund also benefited from an overweight position in New Zealand Dollar bonds. Although the Reserve Bank of New Zealand was significantly more hawkish than the Fed at their December meeting, third quarter GDP numbers for NZ were notably weak and second quarter numbers were revised down to be weaker than previously thought. As a result, NZ rates moved lower by considerably more than US rates, with NZ government bonds outperforming.

Looking forward, the environment for bonds remains favourable as inflation continues to recede, putting central banks in the position to start cutting rates. Whilst significant capital gains have already been realised in November and December, bond yields remain attractive and have ample room for capital gains from lower rates, especially if weaker economies cause central banks to cut rates more aggressively.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



## 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	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Pie Fixed Income Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 yr	3yrs	5yrs	10yrs	Since inception
<b>Fixed Income Fund</b>					<b>1.8%</b>
<b>MARKET INDEX*</b>					<b>2.9%</b>

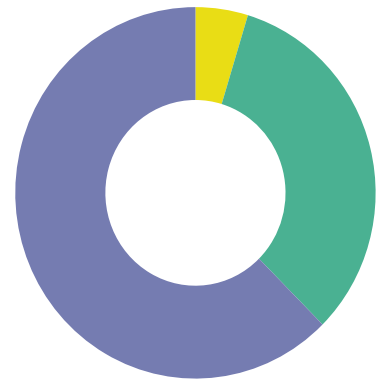
Returns after fees but before individual PIR tax applied

\* 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 o+ Yr Index (NZD))

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash/other (including short and long derivatives)	4.7%
<span style="color: green;">●</span> New Zealand fixed income	32.8%
<span style="color: blue;">●</span> Global fixed income	62.4%

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



## TOP FIVE HOLDINGS (EXCLUDING CASH)

IBM Bond 3.625% 06/02/2031
NZ Local Gov Funding Bond 4.5% 15/05/2030
Pfizer Investment Bond 4.65% 19/05/2023
Reckitt Benckiser 3.625% 14/09/2028
US Treasury Bill 5% 30/09/2025

Holdings are listed in alphabetical order and exclude cash.

## UNIT PRICE

# \$1.02

## RETURN SINCE INCEPTION

# 1.8%

after fees and before tax



## Pie Funds

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# Pie Property & Infrastructure Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



**MIKE TAYLOR**  
Founder and Chief Investment Officer



**TOBY WOODS\***  
Senior Investment Analyst for Global and UK & Europe Funds



**MATT YOUNG\***  
Investment Analyst - Global

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

## FUND COMMENTARY

The Fund returned 2.3% since inception (5 December 2023).

The fund had a solid start, in what was a challenging time to launch given markets were moving around. The fund launched right in the middle of the “Fed Pivot”. However, our approach to risk at present is to push for singles until we have some runs on the scoreboard. Property & Infra investing is quite different to many other investment styles in that you are usually investing in hard assets, which grow at a stable rate and tend not to deviate too much from fair value.

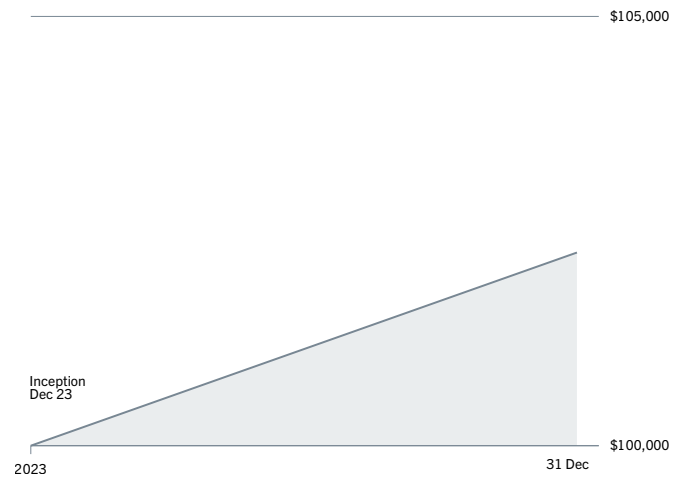
We have constructed a portfolio of Australasian and Global investments ranging from European renewable energy to New Zealand property. The fund is currently 71.0% managed directly by Pie Funds and 29.0% invested in the Morison & Co Infrastructure fund. The industries we invest in include data centres, electric and water utilities, healthcare facilities, airports, ports, toll roads and a range of real estate businesses. Our top three infrastructure & real estate positions are:

Cellnex will be a familiar name from Global Growth 2 and is the largest cell tower company in Europe. Ferrovial is a leader in global infrastructure development with significant stakes in Canada’s 407- ETR toll road and Heathrow airport. It has carved out a niche in high complexity toll road development in North America. SSE owns a balanced portfolio of regulated networks, renewables, thermal generation in the UK and is a clear play on the UK’s climate change goals and the electrification of its economy. Alexandria Real Estate owns best in class laboratory space that it leases to life sciences companies to carry out R&D. Equinix is the premium data centre company with size and scale advantages and an excellent long term story due to increasing data usage, strong pricing power and high barriers to entry. American Tower is the largest cell tower company in the world with a global footprint and they also own 28 data centres.

We anticipate that a falling interest rate environment should provide a tailwind for the P&I sector of the market after two years of headwinds. Over the course of a cycle typically half the returns would come from dividends and the other half from capital gains. In the short term, however, capital gains could prove to be a larger proportion of returns. Positively, even in a weaker economy our positions should hold up well with the majority very defensive in their nature.

## CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



● 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	<p>Potentially Lower Returns</p> <p>Potentially Higher Returns</p> <p>1 2 3 4 5 6 7</p> <p>Lower Risk Higher Risk</p>

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# Pie Property & Infrastructure Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 Yr	3 yrs	5 yrs	10yrs	Since inception
<b>Property &amp; Infrastructure Fund</b>					2.3%
<b>MARKET INDEX*</b>					3.6%

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)	6.6%
European Equities	41.4%
UK Equities	3.6%
US and Canadian Equities	6.7%
New Zealand Equities	10.7%
Australian Equities	2.8%
Listed Property	28.2%



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

## TOP FIVE HOLDINGS (EXCLUDING CASH)

Alexandria Real Estate Equit
Ayala Land Inc
Cellnex Telecom SA
Equinix Inc
Morrison & Co High Conviction Infrastructure Fund

Holdings are listed in alphabetical order and exclude cash.

## UNIT PRICE

# \$1.03

## RETURN SINCE INCEPTION

# 2.3%

after fees and before tax



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# Pie KiwiSaver Growth Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



### MIKE TAYLOR

Founder and Chief Investment Officer



### TRAVIS MURDOCH

Head of Fixed Income and Portfolio Manager

## FUND COMMENTARY

The Growth Fund returned 4.0% in December, bringing it to a 12-month return of 17.1%.

After a tough 2022, this was a pleasing result for our KiwiSaver members and puts the fund back into a strong position relative to other providers again for a 1 year return (we will have the 2023 results for all providers available later next month).

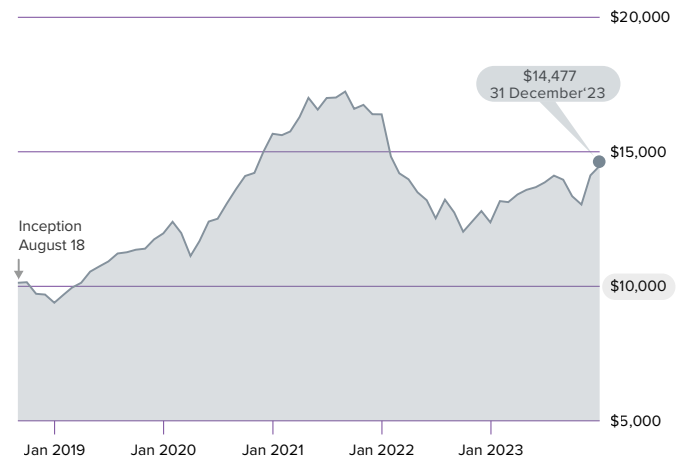
Returns for the month were broad based coming from both our holdings in stocks and bonds. The final two months of 2023 offered a rally in almost everything with falling inflation resulting in lower bond yields (good for bond prices) and in turn, a positive environment for stocks. In particular, many of the sectors which have struggled with higher interest rates, such as property, infrastructure and small caps staged a comeback to finish off 2023. In fact, a number of the fund's holdings in Property & Infrastructure were up double digits during the month.

In terms of other notable mentions, Beijer Ref, which distributes heating and ventilation equipment globally, has been a poor performer since purchase due to destocking, but rose 16% in the month and announced some new acquisitions. Sika, a high-quality Swiss specialty chemical company, rose 15%, and Costco, the large US discount retailer, rose 14% after announcing a special dividend and solid same store sales indicating further market share gains. We took some profits in Costco and also Adobe after recent strong performance.

During the month we switched some of our travel exposure from Airbnb into Booking Holdings. Airbnb had performed strongly recently and was less attractively valued relative to Booking Holdings, which we view as a solid compounder. Furthermore, Airbnb is more geared to the downside given its higher operating leverage, and we are concerned that its average daily rates are likely to come under pressure having been a huge tailwind across the last few years. In contrast, Booking Holdings should continue to take share of the hotel and alternative accommodation booking market, and any share gains could actually accelerate if there is an economic slowdown. Booking compliments the Fund's other travel holding, Australian firm Webjet.

## CUMULATIVE FUND PERFORMANCE

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



● Growth Fund

## FUND DETAILS

Recommended minimum investment period	7 years
Objective	Seeks to maximise capital growth for members over a period exceeding 7 years.
Description	Invests primarily in International and Australasian equities with a focus on globally-known brands, along with a cash and fixed interest exposure, directly and/or through investment in other funds also managed by Pie Funds.
Inception date	August 2018
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Pie KiwiSaver Growth Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
<b>Growth Fund</b>	4.0%	17.1%	-2.2%	9.5%	7.6%
<b>MARKET INDEX<sup>1</sup></b>	3.9%	18.6%	8.2%	10.6%	8.0%

We report fund performance before fees and before individual PIR tax applied.

- The market index is a composite index (5% NZBond Bank Bill Index (NZD), 5% Bloomberg NZBond Credit 0+ Yr Index (NZD), 10% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 15% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 65% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)). Note: Benchmark update on 5th Dec 2023, previously 5% NZBond Bank Bill Index (NZD), 10% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD), 5% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD), 65% MSCI ACWI IMI Net Total Return Index (NZD unhedged), 15% S&P/ASX All Ordinaries Total Return Index (NZD unhedged).

## INVESTMENT MIX

Cash and cash equivalents	8.1%
New Zealand Fixed Income	6.7%
International Fixed Income	11.4%
Australasian Equities	9.6%
International Equities	64.2%

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



## TOP FIVE HOLDINGS (EXCLUDING CASH)

Alphabet Inc Class A
Amazon.Com Inc
Apple Inc
Microsoft Corporation
Morrison & Co High Conviction Infrastructure Fund

Holdings are listed in alphabetical order and exclude cash.

## UNIT PRICE

**\$1.47**

## ANNUALISED RETURN SINCE INCEPTION

**7.6% p.a.**

before fees and before tax



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# Pie KiwiSaver Balanced Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



### MIKE TAYLOR

Founder and Chief Investment Officer



### TRAVIS MURDOCH

Head of Fixed Income and Portfolio Manager

## FUND COMMENTARY

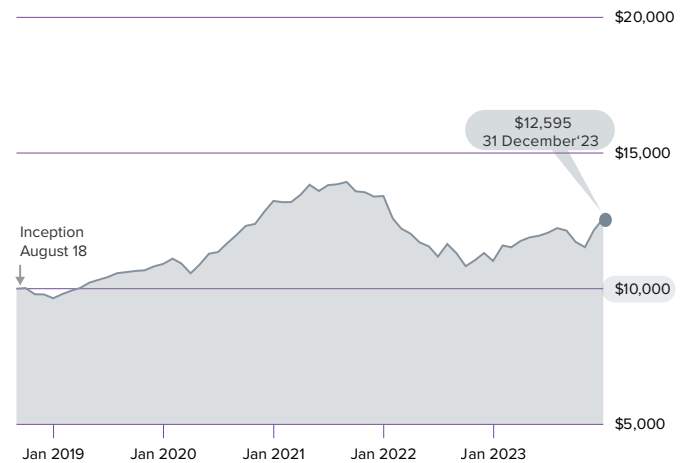
The Balanced Fund returned 3.5% in December, bringing it to a 12-month return of 14.5%

After a tough 2022, this was a pleasing result for our KiwiSaver members and puts the fund back into a strong position relative to other providers again for a 1 year return. (We will have the 2023 results for all providers available later next month)

Returns for the month were broad based coming from both our holdings in stocks and bonds. The final two months of 2023 offered a rally in almost everything with falling inflation resulting in lower bond yields (higher bond prices) and in turn a positive environment for stocks. In particular many of the sectors which have struggled with higher interest rates, such as property, infrastructure and small caps staged a comeback to finish off 2023.

## CUMULATIVE FUND PERFORMANCE

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



● Balanced Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Seeks to provide members with steady capital growth over a period exceeding 5 years.
Description	Invests in equities, with a reasonable allocation towards fixed interest, directly and/or through investment in the Pie KiwiSaver Growth Fund and/or through other funds also managed by Pie Funds.
Inception date	August 2018
Risk indicator	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>

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# Pie KiwiSaver Balanced Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
Balanced Fund	3.5%	14.5%	-1.2%	6.0%	4.9%
MARKET INDEX <sup>1</sup>	3.5%	15.8%	6.1%	8.4%	6.5%

We report fund performance before fees and before individual PIR tax applied.

1. The market index is a composite index (10% NZBond Bank Bill Index (NZD), 10% Bloomberg NZBond Credit 0+ Yr Index (NZD), 20% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 10% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 50% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)). Note: Benchmark update on 5th Dec 2023, previously 10% NZBond Bank Bill Index (NZD), 20% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD), 10% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD), 50% MSCI ACWI IMI Net Total Return Index (NZD unhedged), 10% S&P/ASX All Ordinaries Total Return Index (NZD unhedged)

## INVESTMENT MIX

Cash and cash equivalents	14.2%
New Zealand Fixed Income	9.1%
International Fixed Income	16.2%
Australasian Equities	7.9%
International Equities	52.6%



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

## TOP FIVE HOLDINGS (EXCLUDING CASH)

Amazon.Com Inc
Apple Inc
Microsoft Corporation
Morrison & Co High Conviction Infrastructure Fund
US Treasury Bill 5% 30/09/2025

Holdings are listed in alphabetical order and exclude cash.

## UNIT PRICE

**\$1.29**

## ANNUALISED RETURN SINCE INCEPTION

**4.9% p.a.**

before fees and before tax



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# Pie KiwiSaver Conservative Fund

Monthly Update as at 31 December 2023

## PORTFOLIO MANAGER(S)



### MIKE TAYLOR

Founder and Chief Investment Officer



### TRAVIS MURDOCH

Head of Fixed Income and Portfolio Manager

## FUND COMMENTARY

The Conservative Fund returned 2.5% in December, bringing it to a 12-month return of 9.6%.

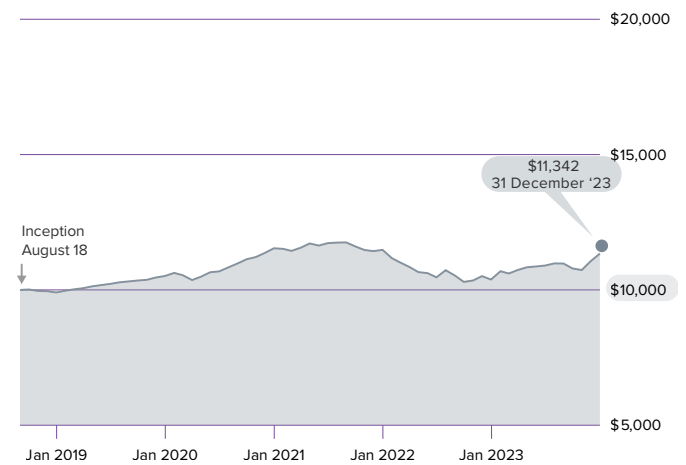
After a tough 2022, this was a pleasing result for our KiwiSaver members and was the Fund's second best calendar year performance since inception (just behind 2020).

Returns for the month were broad based coming from both our holdings in stocks and bonds. The final two months of 2023 offered a rally in almost everything with falling inflation resulting in lower bond yields (good for bond prices) and in turn a positive environment for stocks. In particular many of the sectors which have struggled with higher interest rates, such as property, infrastructure and small caps staged a comeback to finish off 2023.

Corporate bonds, which comprise most of the Fund's bond holdings, had a strong month across the board, outperforming government bonds. The Fund also benefited from an overweight position in NZ Dollar bonds, which had a strong month after weak GDP data raised the spectre of earlier than expected rate cuts from the RBNZ.

## CUMULATIVE FUND PERFORMANCE

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



● Conservative Fund

## 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	<div style="display: flex; justify-content: space-between;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <span>1</span> <span>2</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px;">3</span> <span>4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; font-size: small;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>

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# Pie KiwiSaver Conservative Fund

Monthly Update as at 31 December 2023

## PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
<b>Conservative Fund</b>	2.5%	9.6%	0.0%	3.3%	2.9%
<b>MARKET INDEX<sup>1</sup></b>	2.9%	10.0%	2.6%	4.3%	3.9%

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)). Note: Benchmark update on 5th Dec 2023, previously 25% NZBond Bank Bill Index (NZD), 35% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD), 15% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD), 5% S&P Global REIT Total Return Index (NZD unhedged), 15% MSCI ACWI IMI Net Total Return Index (NZD unhedged), 5% S&P/ASX All Ordinaries Total Return Index (NZD unhedged).

## INVESTMENT MIX

Cash and cash equivalents	22.1%
New Zealand Fixed Income	18.1%
International Fixed Income	33.4%
Australasian Equities	3.4%
International Equities	22.9%



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

## TOP FIVE HOLDINGS (EXCLUDING CASH)

IBM Bond 3.625% 06/02/2031
NZ Local Gov Funding Bond 4.5% 15/05/2030
Pfizer Investment Bond 4.65% 19/05/2023
Reckitt Benckiser 3.625% 14/09/2028
US Treasury Bill 5% 30/09/2025

Holdings are listed in alphabetical order and exclude cash.

## UNIT PRICE

# \$1.16

## ANNUALISED RETURN SINCE INCEPTION

# 2.9% p.a.

before fees and before tax



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