



Pie Fixed Income Fund

Monthly Update as at 30 April 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 -1.7% in April, taking its return since inception in Dec 2023 to 0.7%

Bond markets had a tough month as the US economy produced yet another set of strong jobs numbers and a third month in a row of higher-than-expected inflation. This led markets to speculate that the Federal Reserve may not be able to cut interest rates at all later in the year, resulting in US treasuries having their worst month of the year so far.

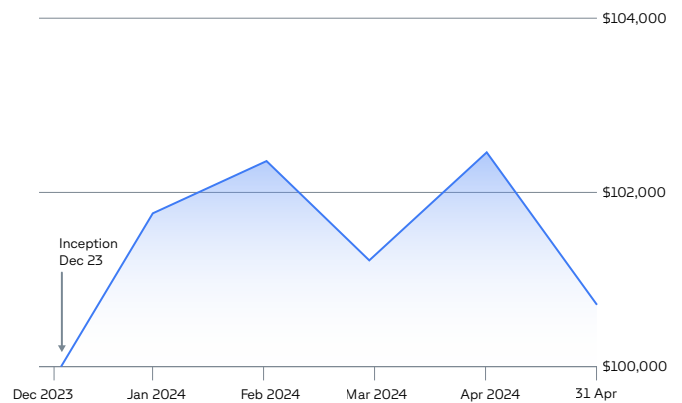
Whilst most bond markets struggled, it increasingly looks like global central banks will diverge from the Fed. The European Central Bank signalled that they are likely to start cutting rates in June. At the other end of the spectrum, Australia printed a hotter-than-expected inflation print, which led to rate markets pricing in a material chance that the RBA hikes this year.

Meanwhile, at home, the data continues to show that the New Zealand economy is doing it tough. In particular, several indicators suggest that weakness in the labour market is accelerating. Despite ongoing stickiness in aspects of domestic inflation, we continue to think that the Reserve Bank will be forced to start cutting interest rates in the coming months.

After a significant re-pricing in global yields year-to-date, we think the bulk of the pain has been taken for now. Bond yields are attractive, providing a cushion against rates moving higher and potential for capital gains when rates fall. The Fund is well diversified and positioned to take advantage of ongoing geographic divergence in government bonds. We continue to think Europe will be the first to cut rates next month, followed closely by New Zealand, and expect Australian government bonds to continue underperforming as one of the countries least likely to cut in the next year.

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; 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.)	Since inception
Fixed Income Fund	-1.7%					0.7%
MARKET INDEX ¹	-1.5%					1.7%

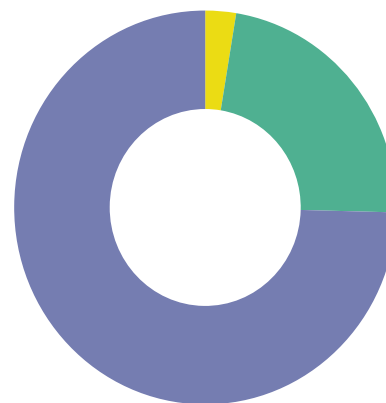
Returns after fees but before individual PIR tax applied

* 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)	2.6%
New Zealand fixed income	22.8%
Global Fixed Income	74.6%

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
Mercury NZ Ltd	5.64%	19/06/2028
Pfizer Inc	4.65%	19/05/2030
TotalEnergies SE	3.455%	19/02/2029

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.01

RETURN SINCE INCEPTION

0.7%

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 April 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.