



Conservative Fund

Monthly Update as at 31 March 2024

PORTFOLIO MANAGER(S)



MIKE TAYLOR
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Investment Officer



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Head of Fixed Income and
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FUND COMMENTARY

The Conservative Fund returned 1.6% in March, bringing it to a 12-month return of 7.7%.

As you will see when you log in to check your current balance, the performance for the last five months has been very strong. A survey from Bank of America on investor sentiment in March showed investor sentiment is the most bullish it has been in two years, but it is still well below its peak in 2021. We believe this is evidence that the market has plenty of room to move higher in this current rally, albeit perhaps not in a straight line, as it has been since November last year.

March continued the bullish theme, with several stocks having a very strong month. Investment themes we follow that outperformed included commodities (copper, gold, & oil), data centres, and a few other select names that benefited from ongoing positive sentiment towards AI.

Bond markets remained volatile as data continues to suggest that the last mile of inflation remains sticky. Nonetheless, March was a constructive month for fixed income. In the US, despite CPI coming in hotter than expected for the second month in a row, the Federal Reserve indicated that they still expect to cut rates three times in 2024, noting that they expect inflation progress to be bumpy. US government bond yields ended the month marginally lower (bond prices higher), but there were more significant moves in countries where economic growth is weaker. New Zealand government bonds were a notable outperformer, thanks in part to 4th quarter GDP data which indicated NZ was in a technical recession.

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 | <div style="display: flex; justify-content: space-between; align-items: center;"> Potentially Lower Returns Potentially Higher Returns </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Lower Risk Higher Risk </div> |

For more information on our funds, please visit www.piefunds.co.nz/Investor-Documents



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PERFORMANCE

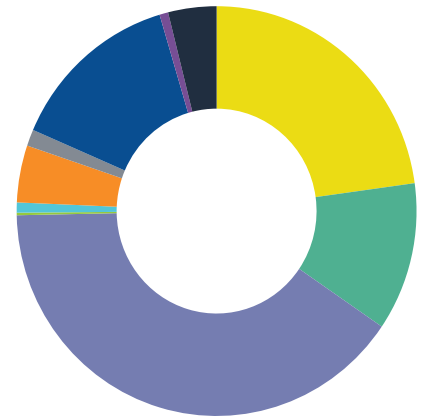
| | 1 month | 1 yr | 3 yrs (p.a.) | 5 yrs (p.a.) | 7 yrs (p.a.) | Annualised since inception |
|---------------------------|---------|------|--------------|--------------|--------------|----------------------------|
| Conservative Fund | 1.6% | 7.7% | 2.5% | 3.3% | 3.7% | 3.9% |
| MARKET INDEX ¹ | 1.7% | 9.6% | 3.2% | 4.0% | 4.3% | 4.5% |

Returns after fees but before individual PIR tax applied

1. The market index is a composite index (25% NZBond Bank Bill Index (NZD), 15% Bloomberg NZBond Credit 0+ Yr Index (NZD), 35% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 6% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX

| | |
|------------------------------|-------|
| Cash (including Derivatives) | 22.8% |
| New Zealand Fixed Income | 11.7% |
| Global Fixed Income | 40.1% |
| Asian Equities | 0.2% |
| Emerging Market Equities | 0.8% |
| European Equities | 4.5% |
| UK Equities | 1.3% |
| US and Canadian Equities | 13.9% |
| New Zealand Equities | 0.7% |
| Australian Equities | 3.9% |



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

TOP FIVE HOLDINGS (EXCLUDING CASH)

Contact Energy 6.398% 21/11/2030

JPMorgan 5.336% 23/01/2035

Morrison & Co High Conviction Infrastructure Fund

Pfizer 4.65% 19/05/2030

TotalEnergies 3.455% 19/02/2029

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.19

ANNUALISED RETURN SINCE INCEPTION

3.9% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 March 2024. 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. 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.