



Pie Fixed Income Fund

Monthly Update as at 31 March 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 1.2% in March, bringing it to a return since inception (December 2023) of 2.5%.

Bond markets remained volatile as data continues to suggest that the last mile of inflation remains sticky, making life uncomfortable for central banks. Nonetheless, March was a constructive month for fixed income.

In the US, February CPI inflation data came in hotter than expected for the second month in a row, albeit to a lesser extent than in January. However, at their FOMC meeting, the Federal Reserve indicated that they were not daunted by the latest CPI data, noting that they expect the road to 2% to be "bumpy". As such, despite revising up their near-term expectations for growth and inflation, the Fed's forecasts suggest that, in aggregate, they still expect to cut rates three times in 2024.

While US government bond yields managed to end the month marginally lower (bond prices higher), there were more significant moves in economies where growth is weaker. New Zealand government bonds were a notable outperformer, with rates falling materially more than the US due in part to 4th quarter GDP data which indicated NZ was in a technical recession.

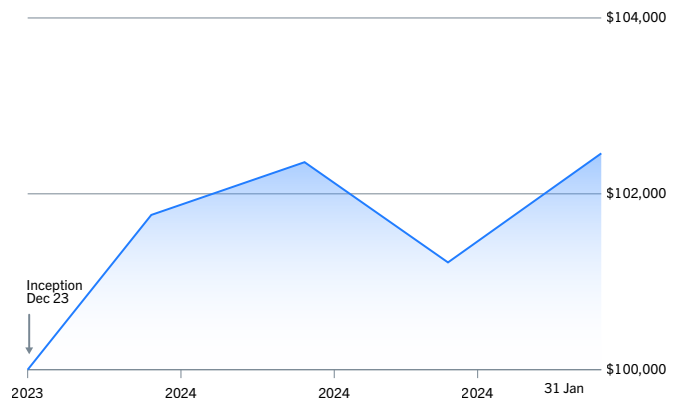
Corporate bonds had another solid month, outperforming government bonds despite elevated issuance in primary markets and credit spreads, which are nearing post-GFC levels. The Fund remained active, taking advantage of opportunities in various currencies, including a Nestle bond issued in AUD, Roche bonds issued in USD, and Spark bonds issued at home in NZD.

Looking forward, we expect bond markets to remain volatile as the US economy remains resilient and the last mile of inflation remains sticky. We continue to think rate cuts are likely to come quicker in places like NZ or Europe, where underlying economies are weaker. In the interim, bonds continue to provide healthy yields with potential for capital gains when rates fall.

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

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>



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PERFORMANCE

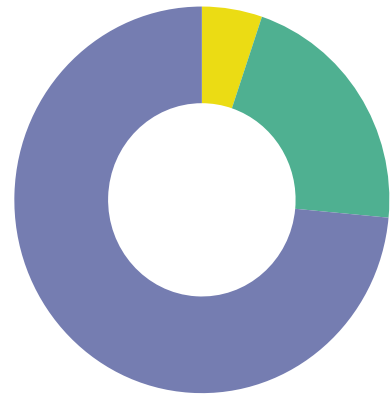
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Since inception
Fixed Income Fund	1.2%					2.5%
MARKET INDEX ¹	1.2%					3.2%

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/other (including short and long derivatives)	5.2%
New Zealand fixed income	21.3%
Global fixed income	73.6%



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	6.398%	21/11/2030
JPMorgan	5.336%	23/01/2035
Mercury	5.64%	19/06/2028
Pfizer	4.65%	19/05/2030
TotalEnergies	3.455%	19/02/2029

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.02

RETURN SINCE INCEPTION

2.5%

after fees and before tax

FUND STATUS

CLOSED

OPEN



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