



Conservative Fund

Monthly Update as at 31 July 2025

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 0.9% in July, bringing its 12-month return to 5.9%.

The fund delivered steady performance in July as markets rallied. The fixed income portion produced moderate returns, while the equity portion produced solid gains without undue volatility. Our strategy of mixing conservative global equities - such as utilities, healthcare and consumer staples - with investment grade bonds proved prudent.

Equity markets were buoyed by solid economic data and trade deals, which lowered tariff-related trade risks. In the US, the earnings season started well with strong earnings from large technology companies contributing to the NASDAQ making 14 all-time new highs in 22 days.

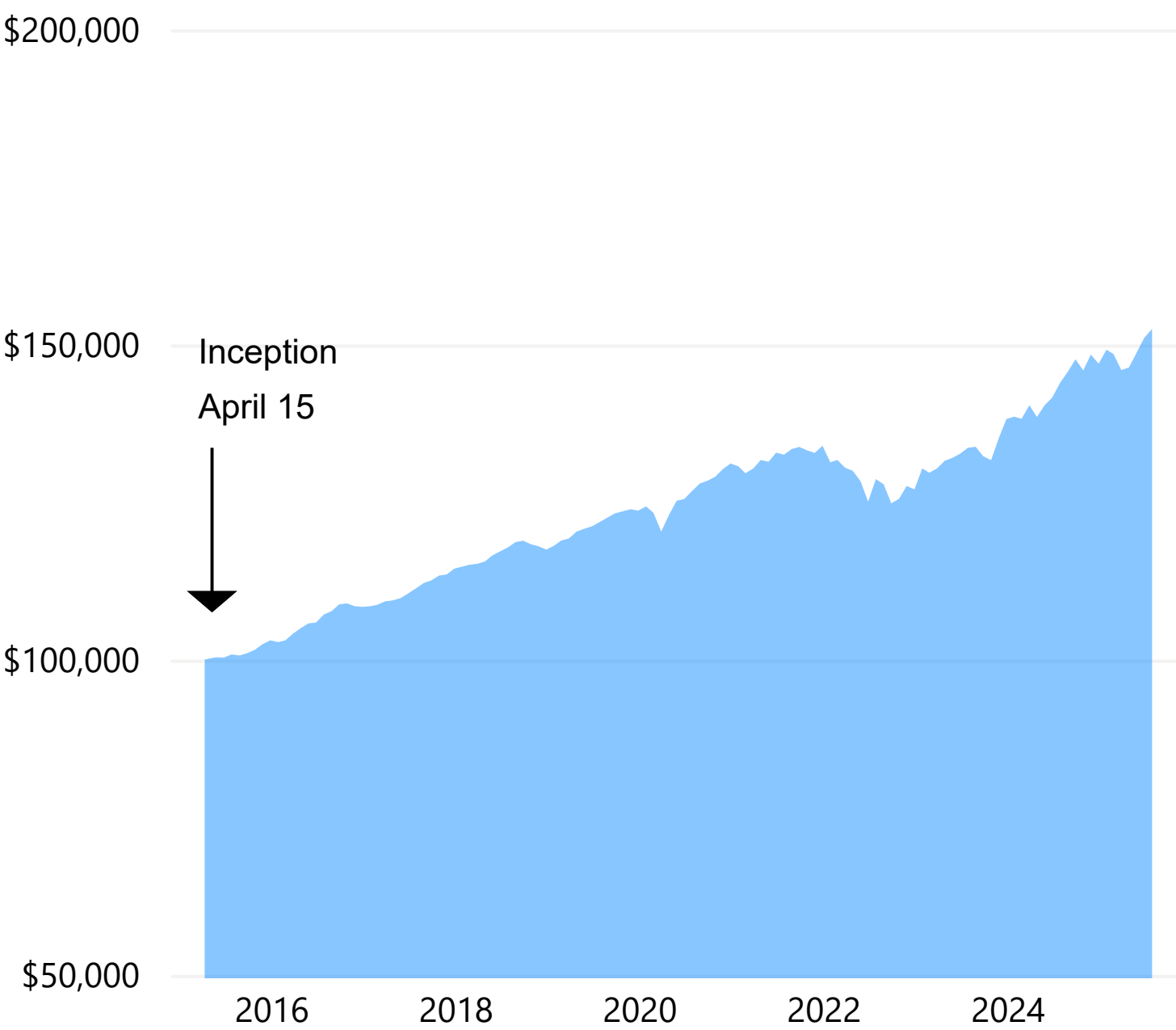
Fixed income markets were mixed as tariff uncertainty continued to create cross currents across global markets, mirrored in uneven economic data. This has left central banks struggling to form a confident view of the economic outlook. In the US the Federal Reserve left interest rates unchanged, but two dissenting members voted for a rate cut. The Reserve Bank of Australia surprised markets by not cutting rates, and the European Central Bank left rates unchanged as expected but appeared to signal the end of their rate cutting cycle.

In New Zealand the Reserve Bank left the OCR at 3.25% but signalled a possible cut in August. We view the July hold as a policy misstep, given worsening domestic data. Delaying action may necessitate deeper future cuts, and we continue to expect the OCR to fall below 3%.

Overall, the fund delivered reliable, low-volatility returns in July, reinforcing its suitability for investors seeking steady income and moderate capital growth with controlled risk.

CUMULATIVE FUND PERFORMANCE

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



FUND DETAILS

Recommended minimum Investment period	3 years
Objective	Preserve capital (with some growth), which outperforms the market index over a period exceeding 3 years.
Description	Invests predominantly in fixed interest securities and some cash, with an allocation to equities.
Inception date	April 2015
Standard withdrawal period	5 working days
Risk indicator	<div><div>Potentially Lower Returns</div><div>1234567</div><div>Lower RiskHigher Risk</div></div>



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PERFORMANCE

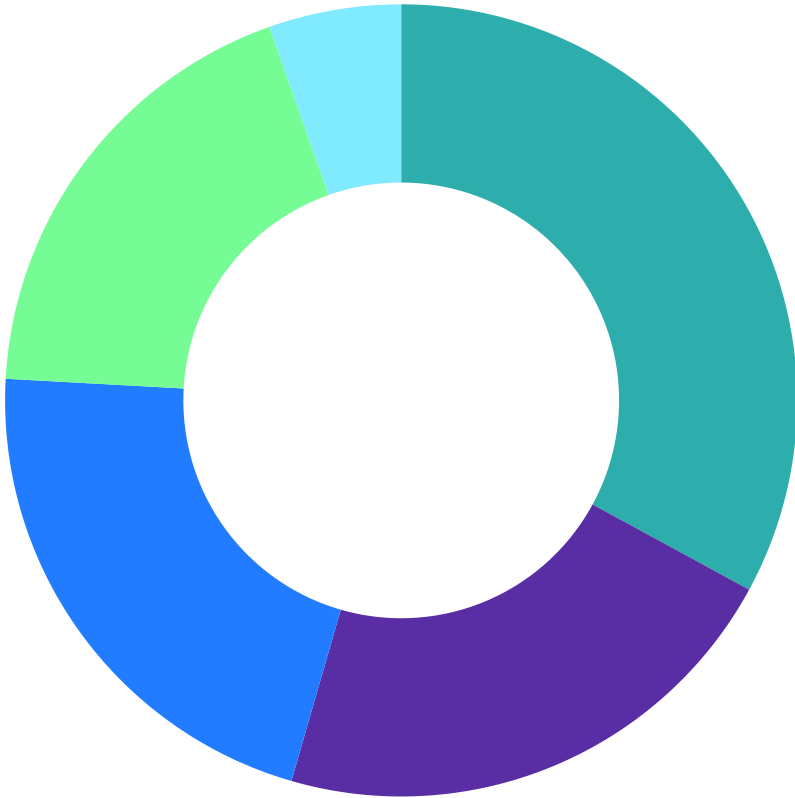
	1 Month	1 Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)	10 Years (p.a.)	Annualised Since Inception
Conservative Fund	0.9%	5.9%	5.8%	3.8%	3.8%	4.2%	4.2%
Benchmark	0.9%	7.1%	6.5%	4.6%	4.7%	4.7%	4.9%

Returns after fees but before individual PIR tax applied

Benchmark: 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 Small Ordinaries Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX¹

International fixed interest	32.9%
New Zealand fixed interest	21.5%
International equities	21.4%
Cash and cash equivalents	18.7%
Australasian equities	5.4%



TOP 5 HOLDINGS²

Bank of New Zealand	4.889%	19/11/2029
Cooperatieve Rabobank UA	4.03%	19/06/2028
International Business Machine	3.625%	06/02/2031
Johnson & Johnson	3.35%	26/02/2037
Kiwibank Ltd	2.36%	11/12/2030

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

2. Holdings exclude Cash & Derivatives and are listed in alphabetical order.

UNIT PRICE

\$1.25

ANNUALISED RETURN SINCE INCEPTION

4.2%_{p.a.}

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 July 2025. Pie Funds Management Limited (“Pie Funds”) is the issuer and manager of the funds in the Pie Funds Management Scheme and the Pie KiwiSaver Scheme (“Schemes”), the product disclosure statements of which can be found at www.piefunds.co.nz. Past performance is not an indicator of future returns. This information is general only. Please see a financial adviser for tailored advice.