

Fund Update

PIE FUNDS MANAGEMENT SCHEME: PIE CONSERVATIVE FUND

Fund update for the quarter ended: 31.12.23

This fund update was first made publicly available on 26.01.24

What is the purpose of this update?

This document tells you how the Pie Conservative Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Pie Funds Management Limited (**Pie Funds**) prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Pie Conservative Fund seeks to preserve members' capital, with some capital growth, which outperforms the market index. The Fund is a diversified fund investing primarily in fixed interest securities and some cash, with an allocation to equities either directly or through products issued by Pie Funds.

Total value of fund as at 31.12.23	\$179,520,044
The date the fund started	15.04.15

How has the fund performed?

	Average over past 5 years	Past Year
Annual return (after deductions for charges and tax)	2.71%	7.15%
Annual return (after deductions for charges but before tax)	3.30%	8.78%
Market Index annual return (reflects no deduction for charges and tax)	4.22%	9.93%

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).

Additional information about the market index is available on the offer register.

What are the risks of investing?

Risk indicator for the Pie Conservative Fund¹

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

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

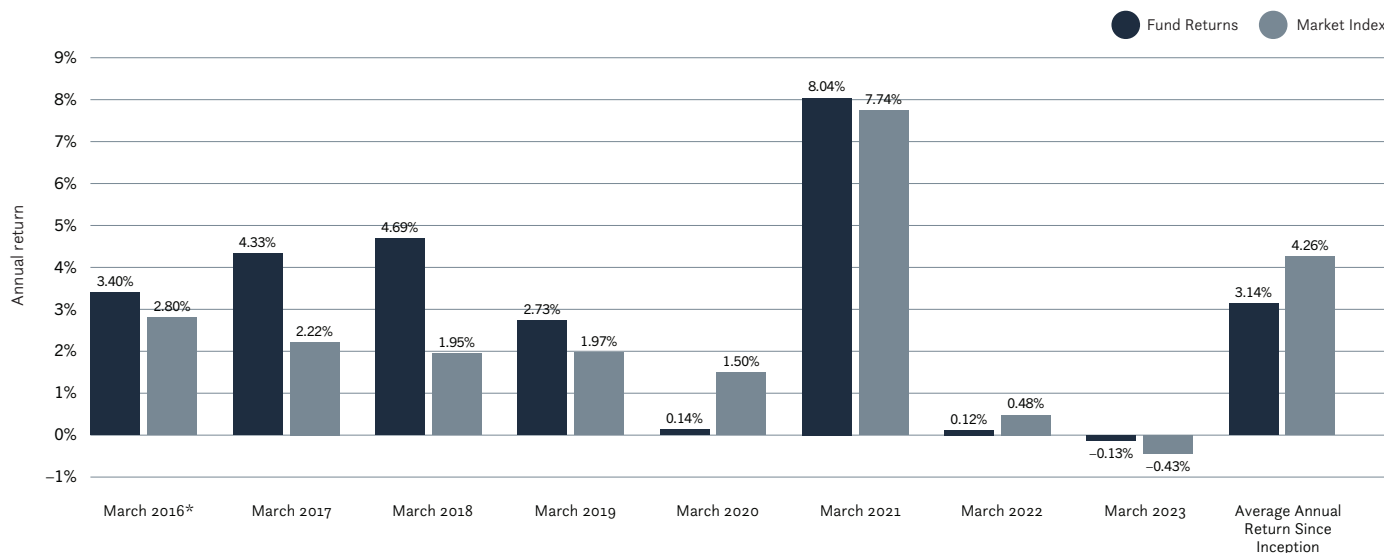
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the last five years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (**PDS**) for more information about the risks associated with investing in this fund.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2023. Important: This does not tell you how the fund will perform in the future.

† Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

*For the period 15 April 2015 - 31 March 2016

What fees are investors charged?

Investors in the Pie Conservative Fund are charged fund charges. In the year to 31 March 2023, these were:

	% of net asset value
Total fund charges	0.73%
Which are made up of:	
Total management and administration charges	0.73%
Including	
Manager's basic fee	0.70%
Other management and administration charges (estimate) ²	0.03%
Total performance-based fees	0.00%
Other charges	\$ amount per investor
Other charges	\$0.00

Fees are exclusive of GST, if any.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds, although these are not currently charged by Pie Funds).

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

Lucy had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Lucy incurred a gain after fund charges were deducted of \$878 (that is 8.78% of her initial \$10,000). Lucy did not pay any other charges. This gives Lucy a total gain after tax of \$715 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.³



Actual investment mix

- Cash and cash equivalents 26.4%
- New Zealand fixed interest 18.7%
- International fixed interest 34.3%
- International equities 15.8%
- Australasian equities 4.7%



Target investment mix

- Cash and cash equivalents 25%
- New Zealand fixed interest 15%
- International fixed interest 35%
- International equities 19%
- Australasian equities 6%

Hedging: We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged foreign currency exposure (as a percentage of the total foreign currency exposure of the fund) is 95.05% (unhedged 4.95%).

Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Westpac Term Deposit	5.90%	Cash and cash equivalents	NZ	AA-
2	US Treasury Bond 5% 30/09/2025	4.74%	International fixed interest	US	AA
3	Westpac Term Deposit	4.70%	Cash and cash equivalents	NZ	AA-
4	Westpac Term Deposit	2.92%	Cash and cash equivalents	NZ	AA-
5	BNZ Call Account - NZD	2.85%	Cash and cash equivalents	NZ	AA-
6	Reckitt Benckiser Bond 3.625% 14/09/2028	2.43%	International fixed interest	GB	A-
7	Westpac Term Deposit	2.35%	Cash and cash equivalents	NZ	AA-
8	Westpac Term Deposit	2.35%	Cash and cash equivalents	NZ	AA-
9	Morrison & Co High Conviction Infrastructure Fund	2.13%	International equities	AU	
10	IBM Bond 3.625% 6/02/2031	1.98%	International fixed interest	US	A-

The total value of the top 10 individual assets of the fund make up 32.35% of the net asset value of the fund.

Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Michael Taylor	Executive Director and Chief Investment Officer	1 year and 9 months	Executive Director and Chief Executive Officer, Pie Funds	15 years and 5 months
Travis Murdoch	Head of Fixed Income and Portfolio Manager	1 year and 2 months	Portfolio Manager at Milford	2 years and 1 month

Further information

You can also obtain this information, the PDS for the Pie Conservative Fund, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

- During times of extreme market volatility, the risk may be greater than indicated. Past performance may not be reliable indicator for the risk of the fund.
- If Pie is unable to determine the non-related underlying fund charges, these have been estimated using the actual costs for the most recently available period for each underlying fund as a percentage of the average net asset value of the investment in the underlying fund.
- For further information on each of the asset classes refer to the PDS and the SIPO.