Pie KiwiSaver Conservative Fund

Monthly Update as at 31 July 2026

PORTFOLIO MANAGER(S)

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FUND COMMENTARY

The Pie KiwiSaver Conservative Fund returned -1.1% in July, bringing its 12-month return to 4.8%.

It was a challenging month for fixed income markets: the renewed US-Iran conflict pushed oil prices and inflation expectations higher, driving government bond yields up (and prices down) across major markets.

The US Federal Reserve held rates steady, though three committee members voted for a hike, and the Fed Chair's lack of clarity on the inflation outlook pushed longer-dated Treasury yields to their highest since 2007.

The European Central Bank also held steady but flagged a likely September hike, pushing German yields to their highest since 2011.

Australian bonds outperformed despite a stronger-than-expected jobs report, while the Reserve Bank of New Zealand raised the Official Cash Rate to 2.50% and signalled further tightening is likely, though we expect just one more hike before it pauses.

Elsewhere, global equities were choppy but broadly flat, with strength in healthcare, energy and financials offsetting a semiconductor selloff ahead of a late-month AI-led rally; Bank of China (state bank, China) and General Motors (automaker, US) were among the stronger stock contributors.

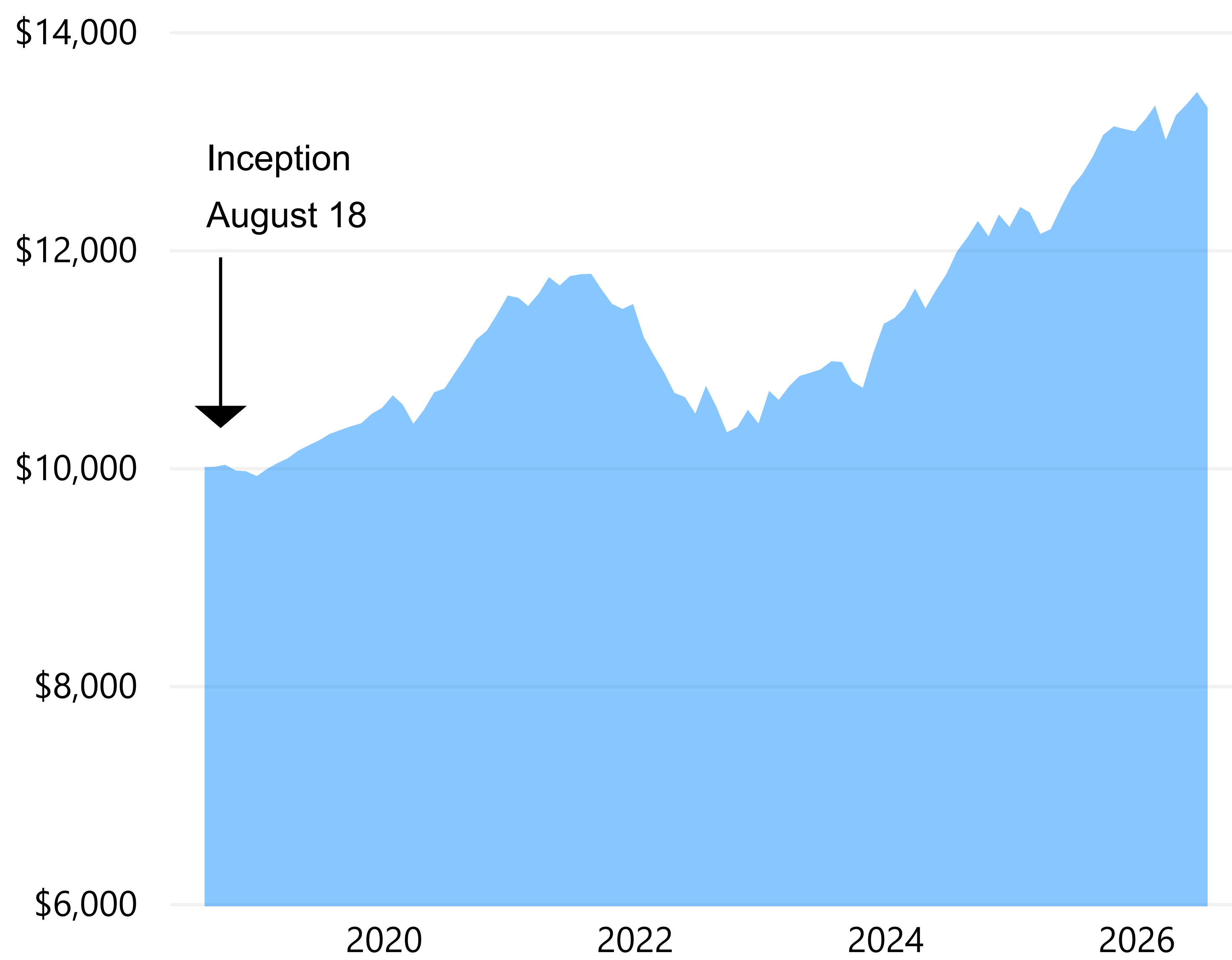
Property and infrastructure holdings were mixed, with gains in Prologis (logistics, US) and Rexford Industrial (US) offset by weaker airport and utility exposures.

Australasian equities were a safe haven as Asian tech sold off, with Western Australian gold producer Genesis Minerals a notable contributor.

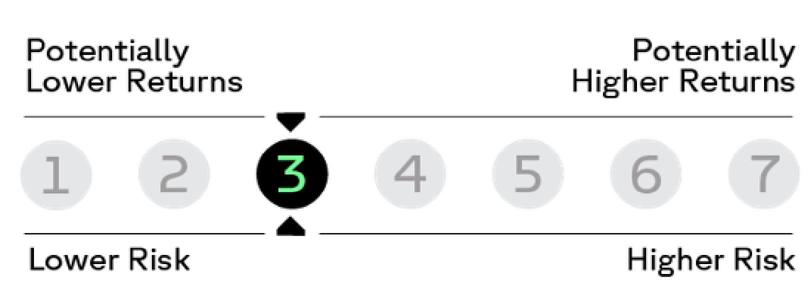
Looking ahead, higher bond yields provide a more attractive starting point for the fund's core fixed income allocation and should support returns over time.

CUMULATIVE FUND PERFORMANCE

If you had invested $10,000 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	Seeks to preserve members' capital with modest growth over a period exceeding 3 years.
Description	Invests primarily in fixed interest and cash, with an allocation to equities.
Inception date	August 2018
Risk indicator	

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

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PERFORMANCE

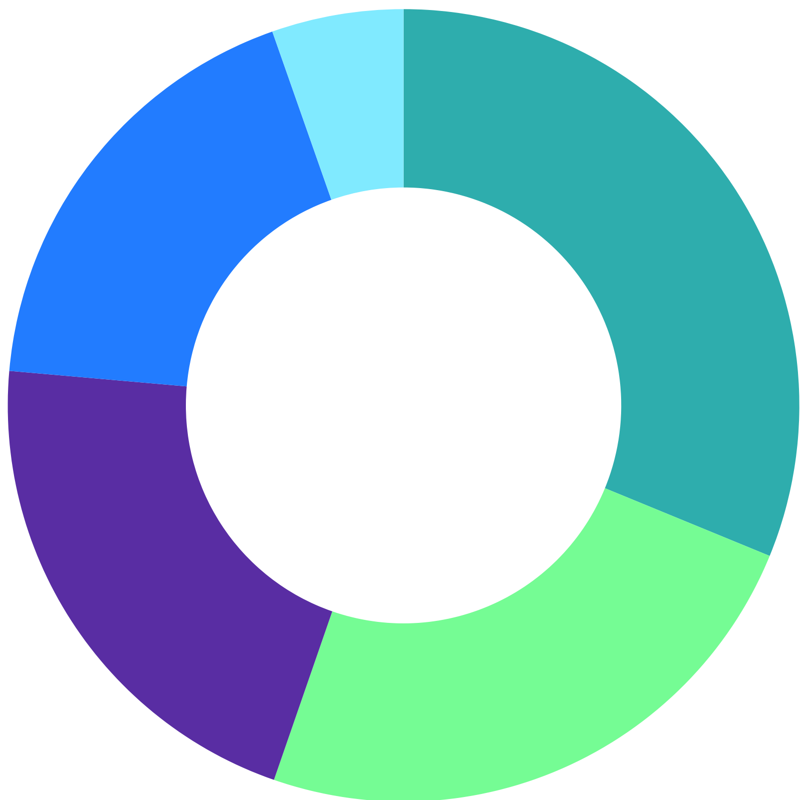
	1 Month	1 Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)	Annualised Since Inception
Pie KiwiSaver Conservative Fund	-1.1%	4.8%	6.6%	2.5%	3.7%	3.7%
Benchmark	-1.0%	5.8%	7.6%	4.6%	4.6%	4.8%

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 MIX[1]

Effective cash	24.1%
International fixed interest	31.2%
New Zealand fixed interest	21.1%
International equities	18.2%
Australasian equities	5.4%



TOP 5 HOLDINGS[2]

- Bank of New Zealand 4.354% 28/01/2031
- Commonwealth Bank of Australia 5.1406% 09/07/2031
- Cooperatieve Rabobank UA 4.398% 20/02/2031
- Mercury NZ Ltd 5.17% 01/04/2033
- Watercare Services Ltd 3.847% 30/09/2030

1. Asset allocation is rounded to the nearest tenth of a percent; therefore, the aggregate may not equal 100%. Effective cash reported is adjusted to reflect the Fund's notional positions (i.e. derivatives used to increase or reduce market exposure). Actual direct cash held by the Fund is 2.9%.

2. Holdings exclude cash & derivatives. Listed in alphabetical order.

UNIT PRICE

$1.38

ANNUALISED RETURN SINCE INCEPTION

3.7%p.a.

after fees and before tax

FUND STATUS

CLOSED **OPEN**