



Pie KiwiSaver Balanced Fund

Monthly Update as at 31 May 2024

PORTFOLIO MANAGER(S)



MIKE TAYLOR
Founder and Chief
Investment Officer



TRAVIS MURDOCH
Head of Fixed Income and
Portfolio Manager

FUND COMMENTARY

The Pie KiwiSaver Balanced Fund returned 2.3% during the month, bringing it to a 12-month return of 12.8%.

Equity markets rebounded in May with major indices in the US and Europe making new all-time highs. The Federal Reserve got the month off to a positive start as they pushed back against the prospect of further rate hikes, which led to an easing in bond yields. A weaker US jobs report and lower-than-expected inflation numbers further allayed fears of overheating, though the market rally stalled mid-month as data outside the US showed further evidence of sticky inflation.

Equities were underpinned by a strong first quarter reporting season in the US, with strong rises in spending on artificial intelligence fuelling optimism for future earnings growth. The fund's best performer was once again Nvidia, which reported another very strong set of figures. Spending on AI chips and infrastructure has not started slowing down yet. Duolingo was the worst performer, falling 15% despite reporting good numbers and raising guidance, as there are market concerns that AI developments could impact its online language learning business.

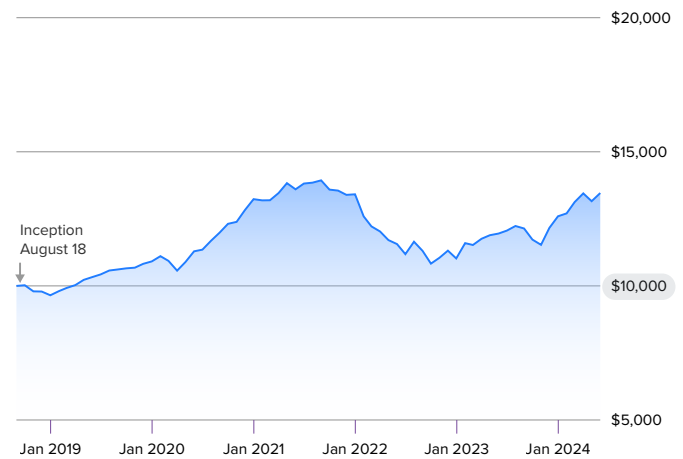
In fixed income, there was notable geographic divergence, with US government bond yields moving notably lower (bond prices higher). Closer to home, New Zealand bond yields moved lower but underperformed the US as the RBNZ looked through weak economic data and emphasised their concern that domestic inflation is proving sticky and that they had considered raising rates. Meanwhile, in Europe, rates actually moved higher on signs of growth accelerating and stickiness in their inflation data, which was a drag on fund performance.

Going forward, the runway for a soft-landing remains open and an environment of moderate economic growth and inflation should remain supportive for equity markets. Nonetheless, with global economies diverging and the US election looming, we expect there to be bouts of volatility in the coming months, which will create opportunities for active management.

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

CUMULATIVE FUND PERFORMANCE

If you had invested \$10,000 at inception, the graph below shows what it would be worth today, before fees and tax.



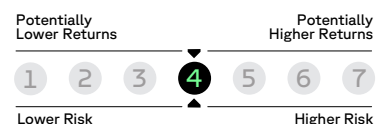
● *Balanced Fund*

FUND DETAILS

Recommended minimum investment period	5 years
Objective	Seeks to provide members with steady capital growth over a period exceeding 5 years.
Description	Invests in equities, with a reasonable allocation towards fixed interest, directly and/or through investment in the Pie KiwiSaver Growth Fund and/or through other funds also managed by Pie Funds.

Inception date August 2018

Risk indicator





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PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
Balanced Fund	2.3%	12.8%	0.1%	5.9%	5.8%
MARKET INDEX ¹	1.9%	13.5%	6.4%	7.8%	7.1%

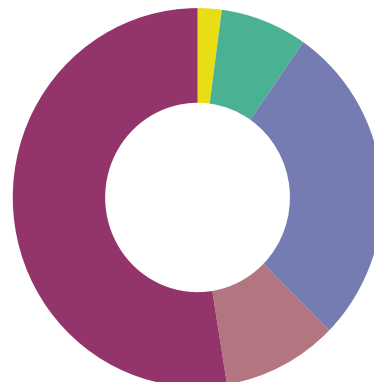
We report fund performance before fees and before individual PIR tax applied.

1. The market index is a composite index (10% NZBond Bank Bill Index (NZD), 10% Bloomberg NZBond Credit 0+ Yr Index (NZD), 20% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 10% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 50% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX

Cash and cash equivalents	2.1%
New Zealand Fixed Income	7.6%
International Fixed Income	27.7%
Australasian Equities	10.1%
International Equities	52.6%

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



TOP FIVE HOLDINGS (EXCLUDING CASH)

Amazon.Com Inc
Microsoft Corporation
Morrison & Co High Conviction Infra Aus Feeder NZH
Stryker Corp
TotalEnergies SE

Holdings are listed in alphabetical order and exclude cash.

UNIT PRICE

\$1.37

ANNUALISED RETURN SINCE INCEPTION

5.8% p.a.

before fees and before tax



Information correct as at 31 May 2024. Pie Funds Management Limited is the manager and issuer of the Pie KiwiSaver Scheme. View our Product Disclosure Statement at www.piefunds.co.nz. Any advice is given by Pie Funds Management Limited, and is general only. It 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 if you act on any advice. As manager of the Scheme we receive monthly fees that are determined by your balance and whether you are 13 years or over. We will benefit financially if you invest in our products. We manage any conflicts of interest via an internal compliance framework designed to ensure we meet our duties to you. For information about the advice we can provide, our duties and complaint process and how disputes can be resolved, visit www.piefunds.co.nz. All content is correct at time of publication date, unless otherwise indicated. 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. Please let us know if you would like a hard copy of this disclosure information. This information is given in good faith and has been derived from sources believed to be reliable and accurate. However, neither Pie Funds nor any of its employees or directors give any warranty of reliability or accuracy.