



Pie Fixed Income Fund

Monthly Update as at 28 February 2025

PORTFOLIO MANAGER(S)



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Founder and Chief
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FUND COMMENTARY

The Fixed Income Fund returned 1.3% this month, bringing its year-to-date return to 7.9%.

February was a strong month for fixed income, with broad-based gains in government bonds as market interest rates declined.

The US bond market led the rally, outperforming global peers. The US 10-year bond yield fell 0.33% to 4.21%, significantly lower than its January high of 4.8%. This movement was driven by economic data indicating a potential slowdown, with consumer and business confidence weakening due to new government policy announcements. A major business survey suggested that the prospect of new tariffs is already impacting company orders and pricing strategies.

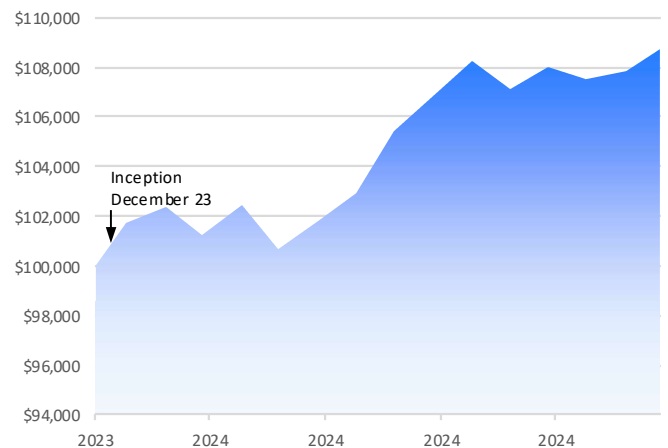
Outside the US, bond yields fell in sympathy, albeit to a lesser extent. In New Zealand, bonds performed well as the Reserve Bank of New Zealand (RBNZ) cut the official cash rate by 0.5% to 3.75% and signalled further cuts. We continue to believe the RBNZ has been slow to adjust rates, potentially causing unnecessary economic damage, and may need to ease more than previously expected.

The fund was active this month, taking advantage of attractive bond pricing opportunities. In New Zealand, we participated in a new ANZ bank bond issue. Offshore, we purchased bonds from Johnson & Johnson in euros, Cisco in US dollars, and Westpac in Australian dollars.

We expect continued volatility in bond markets due to policy uncertainty, geopolitical risks, and mixed economic data. However, current bond yields provide an attractive entry point, offering both income and capital gain potential if rates decline further.

CUMULATIVE FUND PERFORMANCE

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



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: December 2023

Standard withdrawal period: Up to 5 working days

Risk indicator





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PERFORMANCE

	1 month	1 yr	Annualised since inception
Fixed Income Fund	1.3%	7.9%	7.4%
MARKET INDEX ¹	1.2%	7.3%	7.6%

Returns after fees but before individual PIR tax applied

1. 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 (including Derivatives)	4.3%
New Zealand Fixed Interest	26.0%
International Fixed Interest	69.8%

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



TOP FIVE HOLDINGS (EXCLUDING CASH)

Bank of New Zealand 4.889% 19/11/2029
IBM 3.625% 06/02/2031
JPM 5.336% 23/01/2035
Scentre Group Float 10/09/2054
Transpower NZ 4.977% 29/11/2028

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.09

ANNUALISED RETURN SINCE INCEPTION

7.4% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 28 February 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.