



Pie KiwiSaver Balanced Fund

Monthly Update as at 31 January 2025

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 3.1% during the month, bringing it to a 12-month return of 15.8%.

After a weaker December, the Pie KiwiSaver products bounced back with a strong January, significantly outperforming benchmark, with substantial gains from several core holdings and a generally positive start to the fourth-quarter earnings reporting season. Global equity markets have had a volatile beginning to 2025, with recent news about the Chinese AI model DeepSeek impacting many share prices. Furthermore, tariff announcements by the new U.S. president at the end of the month will likely lead to increased volatility for a while. It is our firm view that higher tariffs are not beneficial for economies or consumers, so we can only hope that reason will prevail.

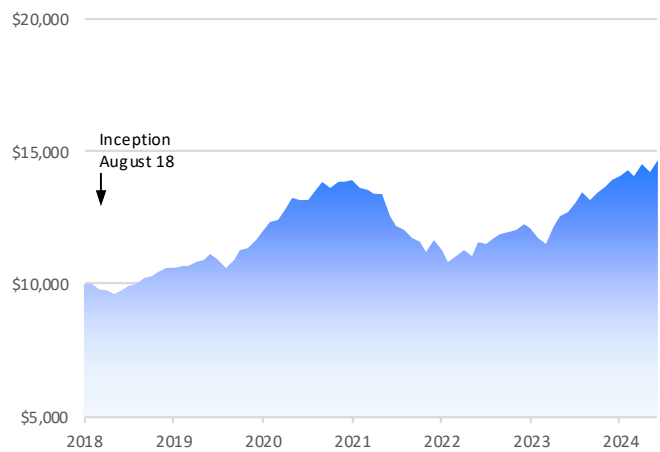
Top performers in January included Spotify, Thermo Fisher, and EssilorLuxottica. Spotify is experiencing strong operational leverage as it increases prices, validating our thesis so far. Constellation Energy was the best performer, rising 34% after announcing a large deal to acquire Calpine, another power generation company in the U.S. Newmont also performed well, rising 15% as gold prices hit new highs. We also experienced strong performance for our Australasian investments.

It was another volatile month in fixed income with mixed performance across geographies. Bond markets began the month under pressure as strong economic data in the US drove 10-year government bond yields to 4.79%, the highest since October 2023. However, lower-than-expected inflation data took the pressure off bond yields, and after a reassuring FOMC meeting, where the Fed reassured markets it was more likely to cut than raise rates, US yields ended the month lower than where they started. Closer to home, NZ government bonds underperformed with yields closing the month higher which reversed some of the previous month's outperformance, despite the lack of fundamental news.

In summary a solid start to 2025, in what is undoubtedly going to be an interesting year for investors. Safe to say that there will be nothing boring about this year. We look forward to it, and that's what makes our job what it is: stressful but also rewarding.

CUMULATIVE FUND PERFORMANCE

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



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	3.1%	15.8%	5.7%	6.2%	6.6%
MARKET INDEX ¹	2.0%	15.9%	8.3%	7.9%	7.8%

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	10.2%
New Zealand Fixed Interest	7.9%
International Fixed Interest	19.0%
Australasian Equities	12.9%
International Equities	50.0%



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
Schneider Electric SE
Transpower New Zealand Ltd 4.977% 29/11/2028

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.50

ANNUALISED RETURN SINCE INCEPTION

6.6% p.a.

before fees and tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 January 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.