



# Pie KiwiSaver Balanced Fund

Monthly Update as at 31 December 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 -1.6% during the month, bringing it to a 12-month return of 13.3%.

The post US election rally faded for global equities in December, both in the US and in Europe with indices closing the month in negative territory. The main reason for this was that US yields and the US dollar rose quite sharply. However, larger company equities, and especially the mega cap technology stocks, once again outperformed, continuing a trend seen for much of 2024.

The best performers for the fund in December included Broadcom, Tesla and Pandora. Broadcom announced a solid set of results driven by AI spending, but it was the positive guidance for the next few years on its addressable market that got investors excited. With the shares having reached our valuation we took some profits. Tesla has performed well for the fund since we bought it just after the US election, but we also took profits with the valuation now looking very extended. Pandora is transitioning from selling charms to becoming a full service jewellery company, the brand is demonstrating strong momentum, and management are executing well so far. Negative performers included Uber, due to some concerns about its market position in autonomous driving, and interest rate sensitive stocks in the portfolio.

In the month we added positions in Eli Lilly, a US pharma company that is well positioned in the global obesity drug market, and Block, a fintech company that we think can accelerate sales growth in 2025. These purchases were funded by exiting Swiss specialty chemical producer Sika, where we feel sales growth may remain lacklustre in 2025.

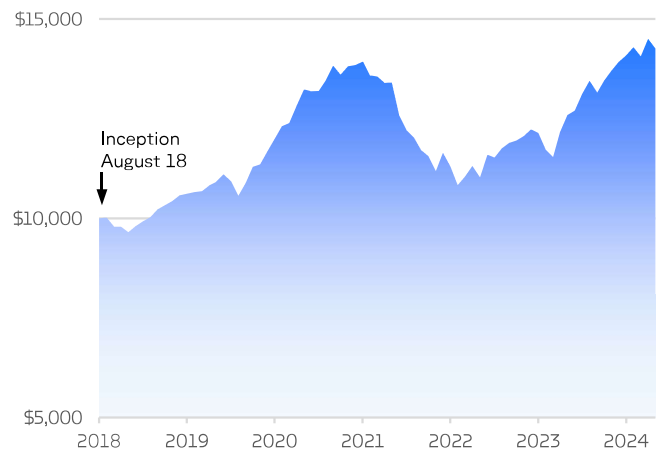
Fixed income markets remained volatile in December. Performance was mixed between geographies with US bonds underperforming as interest rates moved higher despite another 0.25% rate cut by the Fed. Conversely, NZ rates fell after the latest GDP data showed an economy that is firmly in recession. We continue to think that the RBNZ has been far too slow in cutting interest rates and struggle to reconcile why they are maintaining interest rates at restrictive levels with the economy deep in recession and inflation back in their target range.

Looking ahead to 2025, we still anticipate positive returns for equities, and valuations remain attractive for shares outside the US. While US large company equities do look expensive on some measures, with tax cuts and further AI spending on the horizon we still expect additional gains.

For more information on our funds, please visit [www.piefunds.co.nz/Investor-Documents](http://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 tax.



## FUND DETAILS

Recommended minimum investment period

5 years

Objective

Seeks to provide members with steady capital growth over a period exceeding 5 years.

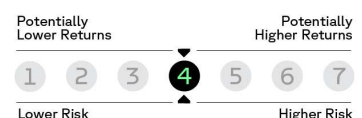
Description

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

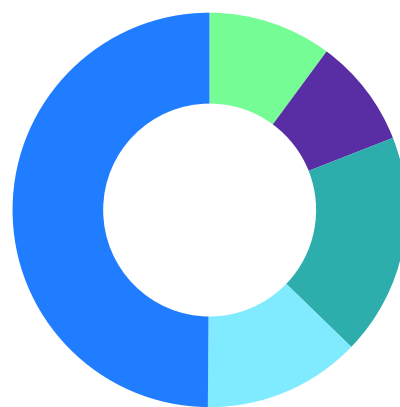
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
<b>Balanced Fund</b>	-1.6%	13.3%	2.4%	5.9%	6.2%
<b>MARKET INDEX<sup>1</sup></b>	-0.8%	14.5%	6.8%	8.0%	7.6%

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	10.1%
 New Zealand Fixed Interest	8.9%
 International Fixed Interest	18.2%
 Australasian Equities	12.9%
 International Equities	49.9%



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
Apple Inc
Microsoft Corporation
Morrison & Co High Conviction Infrastructure Fund
Transpower New Zealand Ltd 4.977% 29/11/2028

Holdings are listed in alphabetical order.

## UNIT PRICE

**\$1.46**

## ANNUALISED RETURN SINCE INCEPTION

**6.2% p.a.**

*before fees and tax*

## FUND STATUS

CLOSED

OPEN



Information is current as at 31 December 2024. Pie Funds Management Limited is the manager and issuer of the funds in the Pie KiwiSaver Scheme. Any advice given by Pie Funds Management Limited is general only. Our advice 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, like brokerage, if you act on any advice. As manager of the Pie Funds Management Scheme investment funds, we receive fees determined by your balance, and we benefit financially if you invest in our products. We manage this conflict of interest via an internal compliance framework designed to help us meet our duties to you. For information about how we can help you, our duties and complaint process and how disputes can be resolved, or to see our product disclosure statement, please visit [www.piefunds.co.nz](http://www.piefunds.co.nz). Please let us know if you would like a hard copy of this disclosure information. 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.