



Fixed Income Fund

Monthly Update as at 31 July 2025

PORTFOLIO MANAGER(S)



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FUND COMMENTARY

The Fixed Income Fund returned 0.2% in July, bringing its 12-month return to 5.0%.

Fixed income markets delivered a mixed performance in July, capping an eventful month for global central banks. Tariff uncertainty continued to create cross-currents across global markets, mirrored in uneven economic data. This has left both bond markets and central banks struggling to form a confident view of the economic outlook.

US government bonds underperformed as yields rose, driven by stronger-than-expected Q2 GDP and early signs of inflationary pressures from tariffs. While the Federal Reserve held rates steady in July, two members dissented in favour of a cut, citing labour market softness. Chair Powell adopted a hawkish tone, though the Fed remains poised to ease if conditions deteriorate.

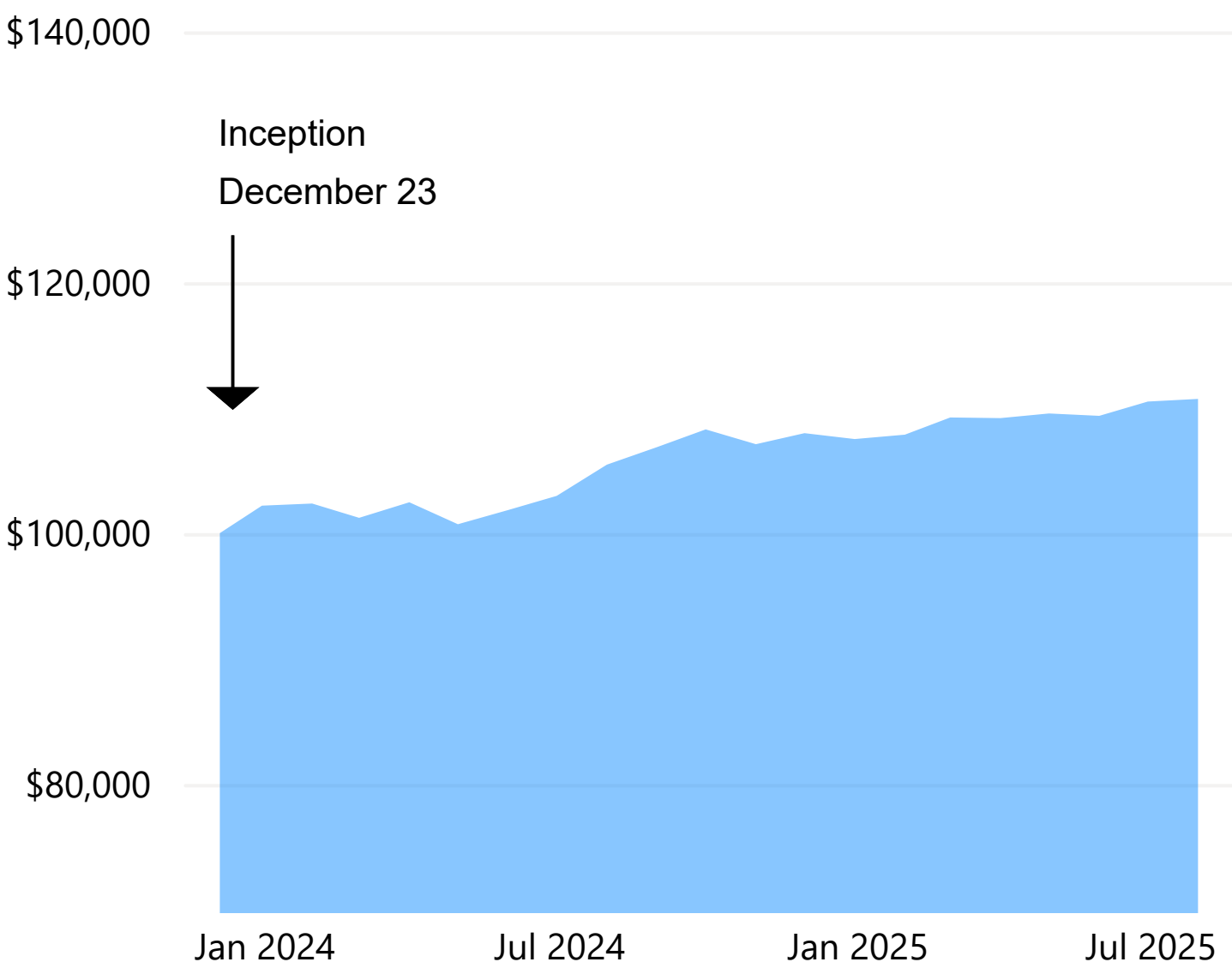
The Reserve Bank of Australia surprised markets by keeping rates unchanged, framing it as a matter of timing rather than direction. Meanwhile, the European Central Bank held steady, hinting the rate-cutting cycle may be ending.

In New Zealand, the Reserve Bank left the OCR at 3.25% but signalled a possible cut in August. We view the July hold as a policy misstep, given worsening domestic data. Delaying action may necessitate deeper future cuts, and we continue to expect the OCR to fall below 3%.

Looking ahead, the backdrop remains supportive for fixed income, with healthy yields and solid fundamentals. The Fund maintains a high quality bias which should insulate the Fund from volatility in riskier segments should global economic conditions soften further.

CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 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 Preserve capital (with some growth), which outperforms the market index over a period exceeding 3 years.

Description Invests predominantly in New Zealand and International fixed interest securities.

Inception date December 2023

Standard withdrawal
period 5 working days





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PERFORMANCE

	1 Month	1 Year	Annualised Since Inception
Fixed Income Fund	0.2%	5.0%	6.3%
Benchmark	0.3%	5.2%	6.8%

Returns after fees but before individual PIR tax applied

Benchmark: 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 MIX¹

International fixed interest	58.0%
New Zealand fixed interest	37.9%
Cash and cash equivalents	4.1%



TOP 5 HOLDINGS²

Bank of New Zealand	4.889%	19/11/2029
Cooperatieve Rabobank UA	4.03%	19/06/2028
International Business Machine	3.625%	06/02/2031
Johnson & Johnson	3.35%	26/02/2037
Kiwibank Ltd	2.36%	11/12/2030

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

2. Holdings exclude Cash & Derivatives and are listed in alphabetical order.

UNIT PRICE

\$1.11

ANNUALISED RETURN SINCE INCEPTION

6.3%_{p.a.}

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 July 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.