



# Pie Fixed Income Fund

Monthly Update as at 31 May 2025

## PORTFOLIO MANAGER(S)



**TRAVIS MURDOCH**  
Head of Fixed Income and  
Portfolio Manager



**MIKE TAYLOR**  
Founder and Chief  
Investment Officer

## FUND COMMENTARY

The Fixed Income Fund returned -0.2% this month, bringing its 12 month return to 7.4%.

The resilience and corresponding strength of global markets surprised investors (positively for a change) during the month of May, with all major indices posting solid gains. Notably, a host of positive earnings announcements from the tech sector and a quietening down of the global tariff war were the main catalysts. And whilst volatility was still high, it was much lower and generally calmer than the chaos of April 2025.

It was a challenging month in fixed income markets. Rates generally moved higher (pushing bond prices lower), led by the US, as markets remain cautious about the volume of treasury bonds that the US government will need to issue to finance the fiscal deficit.

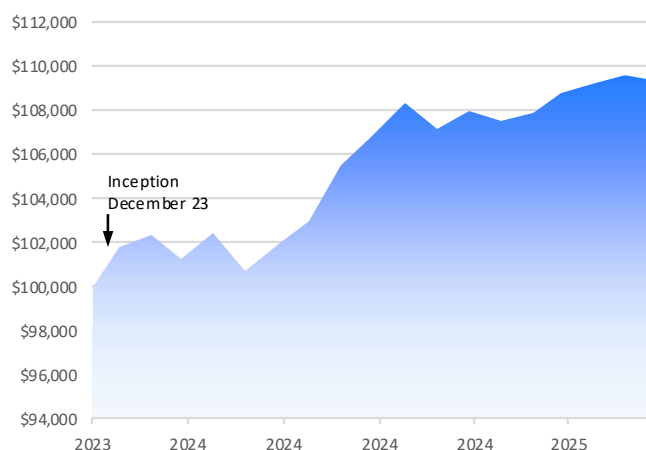
This narrative was compounded by credit rating agency Moody's downgrading the US government from Aaa, noting the tax bill making its way through Congress suggests excessively high deficits are likely to persist.

Back home, the RBNZ cut the OCR by 0.25% to 3.25%. However, the tone of the meeting was notably hawkish. One committee member voted against cutting and acting governor Hawkesby noted they are not biased towards further cuts at their next meeting. Nonetheless, we continue to think the underlying economy remains weak in most regions of New Zealand, which will keep inflation pressures at bay and ultimately lead to more rate cuts.

Meanwhile, despite a cut to the OCR in New Zealand, global long term interest rates crept higher - meaning investors can't completely relax just yet. However, we remain optimistically cautious that, with the US administration now focusing on growth and meaningful "deals," the worst of the tariff volatility could be in the rearview mirror.

## 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**

Potentially Lower Returns	1	2	3	4	5	6	7	Potentially Higher Returns
Lower Risk								Higher Risk



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## PERFORMANCE

	1 month	1 yr	Annualised since inception
Fixed Income Fund	-0.2%	7.4%	6.2%
MARKET INDEX <sup>1</sup>	0.1%	6.6%	6.5%

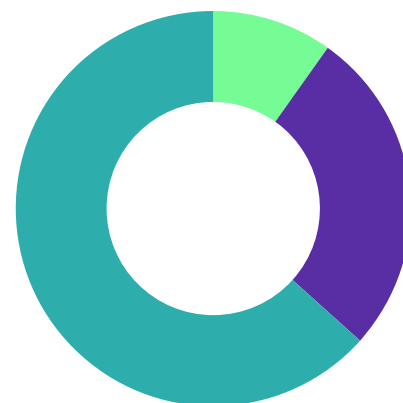
Returns after fees but before individual PIR tax applied

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 and cash equivalents	9.9%
New Zealand Fixed Interest	26.8%
International Fixed Interest	63.3%

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
International Business Machine 3.625% 06/02/2031
Johnson & Johnson 3.35% 26/02/2037
McDonald's Corp 4.6% 15/05/2030
Visa Inc 3.125% 15/05/2033

Holdings are listed in alphabetical order.

## UNIT PRICE

\$1.09

## ANNUALISED RETURN SINCE INCEPTION

6.2% p.a.

after fees and before tax

## FUND STATUS

CLOSED

OPEN



Information is current as at 31 May 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](http://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.