



Pie Fixed Income Fund

Monthly Update as at 30 April 2025

PORTFOLIO MANAGER(S)



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MIKE TAYLOR
Founder and Chief
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FUND COMMENTARY

The Fixed Income Fund returned 0.3% this month, bringing its 12 month return to 8.8%.

April was a truly wild month in financial markets as the magnitude of reciprocal tariffs announced by President Trump sent markets into a spin.

Fixed income markets had a solid month but were not immune to the volatility. Amidst the carnage in equity markets, short-end Treasury bonds performed well, registering gains as short-end market rates moved lower on the expectation that any deterioration in the economy would be met by additional rate cuts by the Federal Reserve.

Longer-dated treasury bonds had a more interesting month and had a key part to play in events. Amidst the worst of the carnage in equity markets, a sell-off in long-dated treasuries became disorderly with a rapid move higher in yields (pushing bond prices lower) to the key psychological level of 5%.

There were several theories as to what caused the move, including the selling by offshore holders in protest of the tariffs. Either way, the bond moves caught President Trump's attention. Seemingly unperturbed by the sell-off in equity markets that preceded it, Trump cited the move in bond markets as he announced a 90-day pause in the implementation of the reciprocal tariffs. This took the pressure off long-end bonds and kick-started the rally in broader markets.

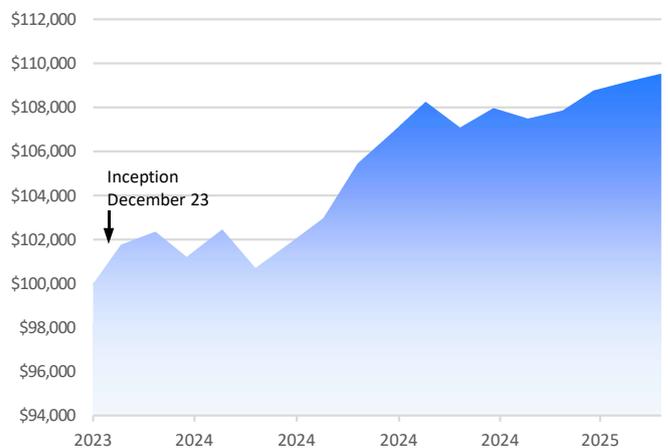
Outside of the US, fixed income markets registered slightly larger gains (rates/yields fell more than in the US). In New Zealand, the Reserve Bank cut the OCR by another 0.25% to 3.5% and signalled an intention to cut further than they had previously anticipated.

The Fund capitalised on the moves during the month, notably taking advantage of lower prices to reduce its underweight in US corporate bonds funded in part by selling Australian corporate bonds, which outperformed in the initial stages of the sell-off.

The Fund remains well-positioned to navigate this period of elevated volatility and capitalise on opportunities as they arise. With yields still elevated, we continue to think it is a healthy environment for fixed income.

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.

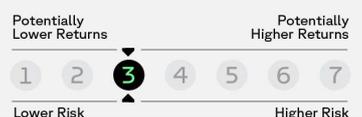
Inception date

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 | 0.3% | 8.8% | 6.7% |
| MARKET INDEX ¹ | 0.4% | 7.8% | 6.8% |

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 | 15.0% |
| New Zealand Fixed Interest | 26.2% |
| International Fixed Interest | 58.8% |

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 |
| International Business Machine 3.625% 06/02/2031 |
| Johnson & Johnson 3.35% 26/02/2037 |
| JPMorgan Chase & Co 5.336% 23/01/2035 |
| McDonald's Corp 4.6% 15/05/2030 |

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.10

ANNUALISED RETURN SINCE INCEPTION

6.7% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 April 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.