



Pie Fixed Income Fund

Monthly Update as at 31 March 2025

PORTFOLIO MANAGER(S)



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Founder and Chief
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FUND COMMENTARY

The Fixed Income Fund returned -0.1% this month, bringing its year-to-date return to 6.5%.

Amid a turbulent month for markets, fixed income remained a bastion of relative stability. Bonds had a solid first quarter, offering diversification benefits as equities came under pressure.

Market sentiment was once again dominated by uncertainty surrounding the U.S. administration's newly imposed tariffs and their potential impact on global economic growth and inflation. U.S. government bond markets wrestled with how to price interest rates, weighing inflationary pressures from tariffs against slowing growth from reduced consumer spending. The Federal Reserve's mid-March meeting offered little new guidance, highlighting the difficulty of forecasting in an increasingly unpredictable environment.

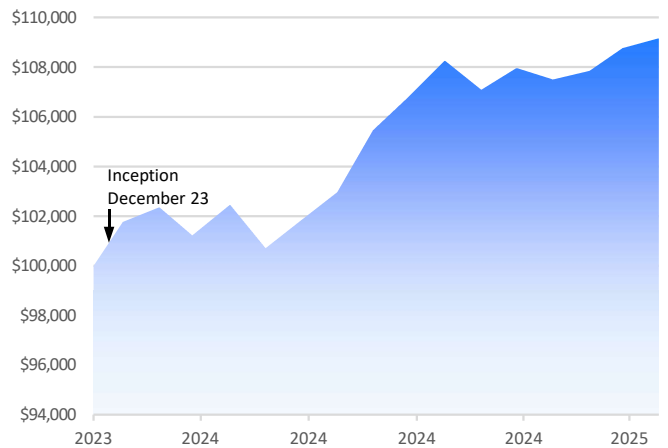
In Europe, Germany surprised markets with the announcement of large-scale fiscal stimulus programs aimed at reviving its sluggish economy and strengthening defense. The expected rise in debt issuance caused German government bond yields to spike, which helped limit the broader downward move in global bond yields.

Australasian markets were relatively quiet in March due to the absence of major central bank meetings. The RBNZ meets on April 9 and is widely expected to cut the OCR by 25bps to 3.5%. We continue to believe the RBNZ has been too slow to respond to deteriorating domestic conditions. While export-driven sectors have shown improvement—supported by higher dairy prices, a weaker NZD, and rising tourism—household finances remain under pressure. We believe the RBNZ should consider a 50bps cut at its next meeting to better support the economy.

Looking ahead, fixed income markets are likely to remain volatile amid persistent policy uncertainty, geopolitical tensions, and mixed macroeconomic data. However, current bond yields continue to offer an attractive buffer against rate shocks and provide upside potential should central banks be forced to pivot more dovishly in coming months.

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	-0.1%	6.5%	6.9%
MARKET INDEX ¹	-0.2%	5.8%	6.9%

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	12.2%
New Zealand Fixed Interest	26.1%
International Fixed Interest	61.7%

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

\$1.09

ANNUALISED RETURN SINCE INCEPTION

6.9% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 March 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.