



Conservative Fund

Monthly Update as at 28 February 2025

PORTFOLIO MANAGER(S)



MIKE TAYLOR
Founder and Chief
Investment Officer



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Head of Fixed Income and
Portfolio Manager

FUND COMMENTARY

The Conservative Fund delivered a return of -0.5% during the month, bringing its 12-month performance to 7.4%.

Global equities faced challenges in February as uncertainty surrounding the new US administration impacted business and consumer confidence.

Fixed income markets performed well in February, with government bond prices rising as market interest rates declined. The US bond market led the rally, significantly outperforming global peers. The US 10-year bond yield fell 0.33% to 4.21%, well below its January high of 4.8%. This movement was largely driven by economic data indicating a potential slowdown, as well as uncertainty surrounding new government policies.

New Zealand bonds also performed well, aided by a 0.5% cut in the official cash rate by the Reserve Bank of New Zealand (RBNZ) to 3.75%. The central bank signalled further cuts, but we believe they have been too slow in adjusting policy, potentially causing unnecessary economic strain. We anticipate more easing ahead.

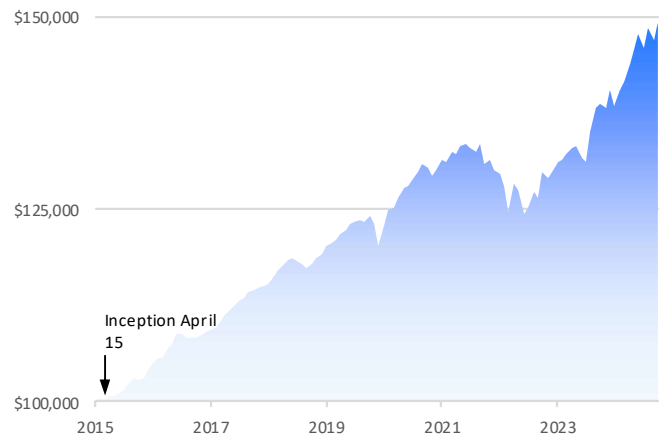
The fund increased its exposure to Property & Infrastructure during the month, reinforcing our preference for more stable assets in the portfolio at this time.

We remain optimistic about the fund's positioning and believe the combination of defensive real assets and selective growth investments provides resilience in the current market environment.

Despite ongoing volatility in bond markets due to policy uncertainty and geopolitical risks, current bond yields provide an attractive entry point, offering both income stability and the potential for capital gains if interest rates continue to fall. We remain focused on maintaining a conservative yet opportunistic approach to fixed income investments.

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 fixed-interest securities and some cash, with an allocation to equities (directly or through other products issued by Pie Funds). It may also invest in other products such as term deposits and bonds.

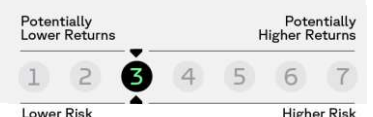
Inception date

April 2015

Standard withdrawal period

5 working days

Risk indicator





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PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Conservative Fund	-0.5%	7.4%	4.1%	3.8%	3.7%	4.1%
MARKET INDEX ¹	0.3%	9.0%	5.2%	4.2%	4.7%	4.8%

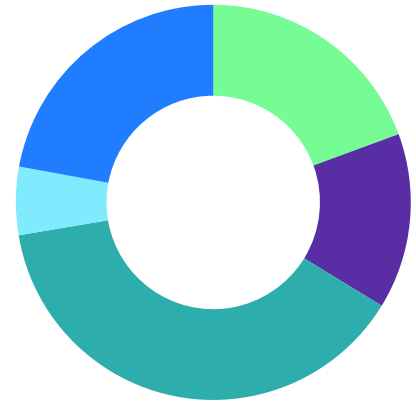
Returns after fees but before individual PIR tax applied

The market index is a composite index (25% NZBond Bank Bill Index (NZD), 15% Bloomberg NZBond Credit 0+ Yr Index (NZD), 35% Bloomberg Global Aggregate Corporate Total Return Index (100% hedged to NZD), 6% S&P/ASX All Ordinaries Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)).

INVESTMENT MIX

Cash (including Derivatives)	19.4%
New Zealand Fixed Interest	14.4%
International Fixed Interest	38.6%
Australasian Equities	5.6%
International Equities	22.1%

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
IBM 3.625% 06/02/2031
JPM 5.336% 23/01/2035
Morrison & Co High Conviction Infrastructure Fund
Transpower NZ 4.977% 29/11/2028

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.23

ANNUALISED RETURN SINCE INCEPTION

4.1% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 28 February 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.