



# Pie KiwiSaver Conservative Fund

Monthly Update as at 31 May 2025

## PORTFOLIO MANAGER(S)



**MIKE TAYLOR**  
Founder and Chief  
Investment Officer



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

## FUND COMMENTARY

The Pie KiwiSaver Conservative Fund returned 1.7% during the month, bringing it to a 12-month return of 6.6%.

The resilience and corresponding strength of global markets surprised investors. 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.

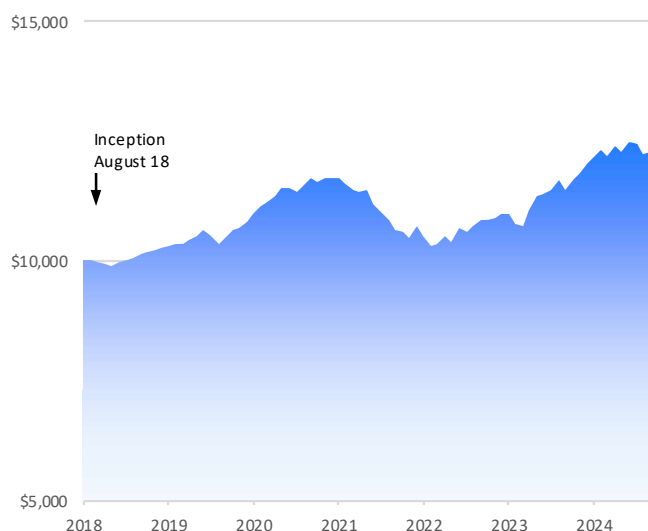
Back home, the RBNZ cut the OCR by 0.25% to 3.25%. However, the tone of the meeting was notably hawkish. One committee member voted against cutting and acting Governor Hawkesby noted they are not biased towards further cuts at their next meeting.

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, with global long-term interest rates creeping higher, 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 \$10,000 at inception, the graph below shows what it would be worth today, before tax.



## FUND DETAILS

Recommended minimum investment period	3 years
Objective	Seeks to preserve members' capital with modest growth over a period exceeding 3 years.
Description	Invests primarily in fixed interest and cash, with an allocation to equities.
Inception date	August 2018

### Risk indicator





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## PERFORMANCE

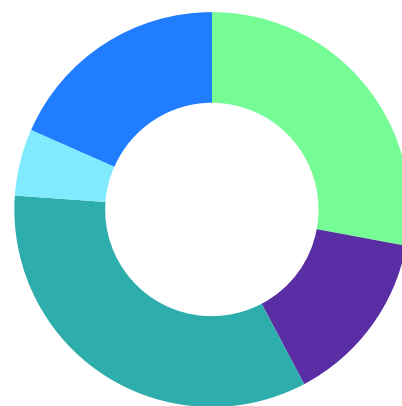
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	Annualised since inception
Conservative Fund	1.7%	6.6%	5.2%	3.0%	3.2%
MARKET INDEX <sup>1</sup>	1.5%	7.8%	6.2%	4.4%	4.4%

Returns after fees but before individual PIR tax applied.

1. 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 Small Ordinaries\* Total Return Index (75% hedged to NZD), 19% S&P Global Broad Market (BMI) Total Return Index (75% hedged to NZD)). \*Prior to 1 May 2025 this was ASX All Ordinaries.

## INVESTMENT MIX

Cash and cash equivalents	27.9%
New Zealand Fixed Interest	14.3%
International Fixed Interest	33.9%
Australasian Equities	5.5%
International Equities	18.4%



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

\$1.29

## ANNUALISED RETURN SINCE INCEPTION

3.2% 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.