



Pie KiwiSaver Conservative Fund

Monthly Update as at 28 February 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 -0.4% during the month, bringing it to a 12-month return of 8.4%.

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.

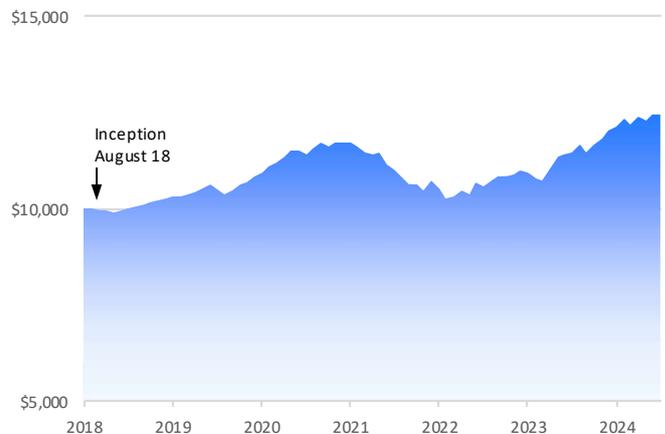
The fund increased its exposure to Property & Infrastructure during the month, reinforcing our preference for more stable assets in the portfolio at this time.

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 \$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, directly and/or through investment in the Pie KiwiSaver Balanced Fund and/or through other funds also managed by Pie Funds.

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	-0.4%	8.4%	4.5%	3.8%	3.9%
MARKET INDEX ¹	0.3%	9.0%	5.4%	4.2%	4.4%

We report fund performance before fees and 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 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 and cash equivalents	21.9%
New Zealand Fixed Interest	13.9%
International Fixed Interest	37.4%
Australasian Equities	5.4%
International Equities	21.4%



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
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

\$1.28

ANNUALISED RETURN SINCE INCEPTION

3.9% p.a.

before fees and 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.