



Australasian Dividend Growth Fund

Monthly Update as at 30 April 2024

PORTFOLIO MANAGER(S)



MIKE ROSS
Lead Portfolio Manager



MICHAEL GOLTSMAN
Co-Portfolio Manager



FUND COMMENTARY

The Dividend Growth Fund returned -3.3% in April, bringing it to a 12-month return of 20.5%.

Sticky inflation and rising bond yields weighed on equities in April. Detractors outnumbered winners, and the most notable of them were Cettire, Johns Lyng, and Karoon. On the positive side of the ledger were Navigator Global Investments, Aussie Broadband and Alliance Aviation.

The fund was active during the month, adding one new position and increasing others while recycling capital out of winners or lower-conviction investments.

Alliance Aviation finished the month 9% higher after providing more clarity around its funding profile. Alliance is an owner and operator of Fokker and Embraer aircraft, generating most of its revenues through contracted and wet-leasing services to resource companies and commercial airlines. Its capital allocation has been counter-cyclical, heavily expanding its fleet during times of distress for the global aviation industry. While positive for long-term returns, in recent years, this has meant significant upfront investment and a growing balance sheet, which is why we have maintained a smaller position. Alliance's second bulk purchase of Embraer E190s in 2023 caught us off-guard as it pushed out Alliance's deleveraging profile.

The good news is that given the prices paid for assets and the commercial terms available, we believe the company should achieve strong returns on capital and free cash flow over the medium term, which would result in a healthier balance sheet and significantly higher share price. Recent support from lenders is encouraging.

Karoon released a weak quarterly result that included a downgrade to production guidance at "Who Dat" in the Gulf of Mexico. Given the company's interest in the asset was recently acquired and involved a large and poorly executed equity raise, this development was a knock to market sentiment in addition to short-term cash flow.

CUMULATIVE FUND PERFORMANCE

If you had invested \$100,000 at inception, the graph below shows what it would be worth today.



FUND DETAILS

Recommended minimum investment period	5 years
Objective	Generate income and capital growth over a period exceeding 5 years.
Description	Invests predominantly in listed Australasian smaller and medium growth companies paying dividends or that will produce cash-flow for future distributions.
Inception date	September 2011
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Potentially Lower Returns Potentially Higher Returns </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center; font-size: small;"> Lower Risk Higher Risk </div>

For more information on our funds, please visit www.piefunds.co.nz/Investor-Documents



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PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Australasian Dividend Growth Fund	-3.3%	20.5%	7.2%	13.8%	13.8%	13.2%	16.0%
MARKET INDEX¹	-2.9%	8.8%	0.3%	4.5%	6.3%	6.5%	3.6%

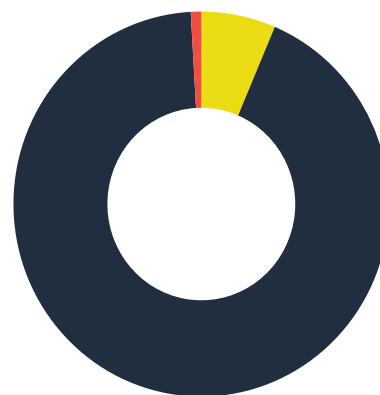
Returns after fees but before individual PIR tax applied

1. S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD).

INVESTMENT MIX

● Cash (including Derivatives)	6.4%
● Australian equities	92.7%
● Listed Property	0.9%

Asset allocation is rounded to the nearest tenth of a percent; therefore, the aggregate may not equal 100%.



TOP FIVE EQUITY HOLDINGS

AUB Group Limited
Aussie Broadband Pty Ltd
Johns Lyng Group LTD
Karoon Gas Australia Ltd
Mermaid Marine Australia Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$4.56

ANNUALISED RETURN SINCE INCEPTION

16.0% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 April 2024. Pie Funds Management Limited is the manager and issuer of the funds in the Pie Funds Management Scheme. Any advice given by Pie Funds Management Limited is general only. Our advice relates only to the specific financial products mentioned and does not account for personal circumstances or financial goals. Please see a financial adviser for tailored advice. You may have to pay product or other fees, like brokerage, if you act on any advice. As manager of the Pie Funds Management Scheme investment funds, we receive fees determined by your balance, and we benefit financially if you invest in our products. We manage this conflict of interest via an internal compliance framework designed to help us meet our duties to you. For information about how we can help you, our duties and complaint process and how disputes can be resolved, or to see our product disclosure statement, please visit www.piefunds.co.nz. Please let us know if you would like a hard copy of this disclosure information. Past performance is not a reliable indicator of future returns. Returns can be negative as well as positive, and returns over different periods may vary.