



# Australasian Growth 2 Fund

Monthly Update as at 30 April 2024

## PORTFOLIO MANAGER(S)



**MICHELLE LOPEZ**

Head of Australasian Equities and Lead Portfolio Manager



**KENT WILLIAMS**

Co-Portfolio Manager

## FUND COMMENTARY

The Australasian Growth 2 Fund returned -1.5% in April, bringing it to a 12-month return of 18.7%.

Australian shares had a tougher period during April, as inflation showed signs of acceleration and more evidence of labour market strength. This drove a 46bps increase in the Australian 10-year bond yield and economists pushing out any rate cut into 2025. Given the shift in expectations from a macro policy perspective, the pullback was within expectations.

A key contributor to performance this month was Telix Pharmaceuticals (+16.8%), which benefitted from a strong 1Q24 update. Its key commercial product, ILLUCIX (prostate cancer imaging agent), reported 18% quarter-on-quarter sales growth, which exceeded expectations and indicates that they are growing well ahead of the market and taking share. The company is on track to receive FDA approval for its second commercial product this year (Zircaix), with revenue to flow through in CY25. The key risk (to both the up and downside) for this company will be the readout of data on their ProstACT Select study. These are trials for their first therapeutic asset, TLX591, and are expected mid-year. Our view is that there is little value attributable to this drug in the company's valuation. However, a negative readout may cause a material move in the share price, especially given the very strong share price performance (+50% year to date).

Pro Medicus (+7.4%) was another contributor to performance. Whilst there was no specific corporate news, there remains a long-run way for growth for their Visage product as they continue to win contracts, move into new adjacencies such as Cardiology and leverage their product's edge with the use of artificial intelligence in Radiology.

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.



● Australasian Growth 2 Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian smaller and medium companies.
Inception date	August 2015
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span>5</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px 5px;">6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>

For more information on our funds, please visit [www.piefunds.co.nz/Investor-Documents](http://www.piefunds.co.nz/Investor-Documents)



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## PERFORMANCE

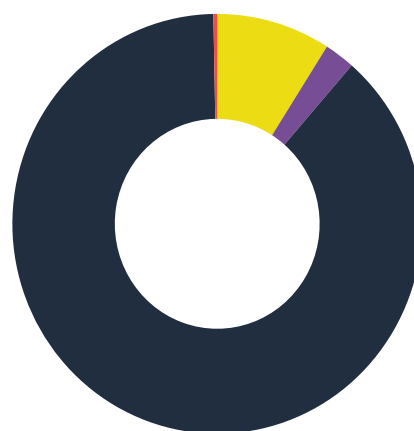
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
<b>Australasian Growth 2 Fund</b>	-1.5%	18.7%	-6.5%	8.3%	10.6%	11.5%
<b>MARKET INDEX<sup>1</sup></b>	-2.4%	6.6%	-0.4%	4.1%	6.0%	7.3%

Returns after fees but before individual PIR tax applied

1. S&P/ASX Mid Cap 50 & Small Ordinaries Daily 50/50 Blend Total Return Index (75% hedged to NZD).

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	9.0%
<span style="color: purple;">●</span> New Zealand Equities	2.4%
<span style="color: darkblue;">●</span> Australian Equities	88.3%
<span style="color: red;">●</span> Listed Property	0.3%



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

## TOP FIVE EQUITY HOLDINGS

Life360 Inc
Mineral Resources Ltd
Resmed Inc
Seven Group Holdings Ltd
Webjet Ltd

Holdings are listed in alphabetical order.

### UNIT PRICE

# \$2.57

### ANNUALISED RETURN SINCE INCEPTION

# 11.5% 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](http://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.