



# Australasian Emerging Companies Fund

Monthly Update as at 31 March 2024

## PORTFOLIO MANAGER(S)



**KENT WILLIAMS**

Lead Portfolio Manager



**MICHELLE LOPEZ**

Head of Australasian Equities and  
Co-Portfolio Manager

## FUND COMMENTARY

The Australasian Emerging Companies Fund returned 5.0% in March, bringing it to a 12-month return of 23.6%.

March was another strong month for equity markets globally. Of particular note, the S&P/ASX Emerging Companies Index (micro-cap index) again outperformed all major indices.

The key contributors to performance were MMA Offshore, Zip and Service Stream.

MMA Offshore rallied c.22% due to the ongoing industry tailwinds that we expect will continue for several years. Late in the month, the company announced it had entered into a scheme implementation deed (takeover), which pushed the share price even further.

Zip continued to rally on the back of investors once again being drawn to the buy now, pay later (BNPL) opportunity in the US, and the fact this company will be a significant beneficiary of falling interest rates.

Service Stream continued rallying from February. As mentioned last month, we see very little earnings risk over the next six months. Additionally, the company is investing above the line to expand into new markets, which has significant upside potential over the next three years.

Fleetwood (building solutions) detracted from performance. It appears short term investors are concerned the large project in the Karratha region is taking longer to ramp up. Industry feedback is this is going to put increased pressure on the area over the medium term, creating a greater accommodation squeeze when all projects ramp up at the same time. We view this as a favourable medium-term opportunity.

Globally, markets continue to remain in a bull market phase. We are now seeing some signs of mega-cap stocks taking a breather, with the rally broadening into small caps and resources, both of which are positive signs for our funds.

## 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	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian emerging companies.
Inception date	April 2013
Standard withdrawal period	15 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

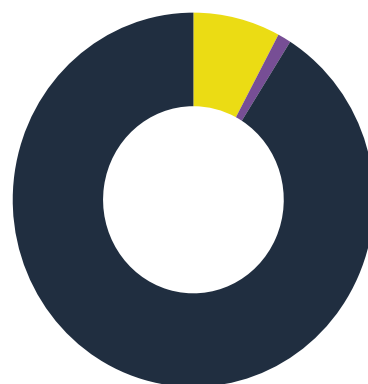
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Australasian Emerging Companies Fund</b>	5.0%	23.6%	6.0%	14.1%	12.8%	14.3%	18.8%
<b>MARKET INDEX<sup>1</sup></b>	7.1%	4.4%	4.2%	12.6%	9.3%	8.6%	6.2%

Returns after fees but before individual PIR tax applied

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

## INVESTMENT MIX

<span style="color: yellow;">●</span> Cash (including Derivatives)	7.8%
<span style="color: purple;">●</span> New Zealand Equities	1.2%
<span style="color: darkblue;">●</span> Australian Equities	91.0%



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

## TOP FIVE EQUITY HOLDINGS

Audinate Group Ltd
Austin Engineering Ltd
IPD Group Ltd
Mermaid Marine Australia Ltd
Service Stream LTD

Holdings are listed in alphabetical order.

### UNIT PRICE

# \$6.57

### ANNUALISED RETURN SINCE INCEPTION

# 18.8% p.a.

after fees and before tax

### FUND STATUS

CLOSED

OPEN



Information is current as at 31 March 2024. Pie Funds Management Limited is the manager of the funds in the Pie Funds Management Scheme. Any advice is given by Pie Funds Management Limited and 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.