



Australasian Emerging Companies Fund

Monthly Update as at 31 August 2024

PORTFOLIO MANAGER(S)



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FUND COMMENTARY

The Australasian Emerging Companies Fund returned 0.3% during the month, bringing it to a 12-month return of 19.9%.

August was an incredibly active month for the Australian investment community, largely driven by the reporting season. Despite challenges like higher interest rates and ongoing cost-of-living pressures, many Australian companies delivered positive earnings surprises. However, guidance was cautiously set, leading to more downgrades than upgrades for FY25. On a positive note, corporate balance sheets remain robust, enabling several companies to initiate or renew buyback programs.

Top Performers for the month were Kip McGrath & Zip Ltd. Kip McGrath reported strong FY24 results with enhanced disclosures, offering better insights into the health of its global network. The company's transition of franchisees to the 'Gold' model, which increases royalties and improves online integration, is progressing well. Despite its strong performance, Kip McGrath's stock remains attractively valued, especially over a two-year horizon.

Zip Ltd released revised medium-term targets that were well-received by the market. The company's improved capital structure is expected to significantly reduce interest costs in FY25. Zip's growth continues to outpace the market, particularly in the US BNPL sector, reinforcing its strong growth profile and attractive valuation.

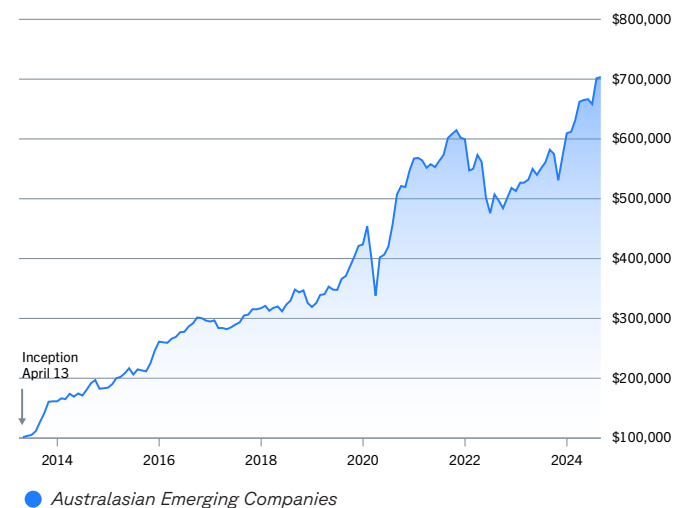
Detractors included Metro Mining. Although the stock pulled back in August, the company's operational update showed production volumes are now at key levels, with strengthening bauxite prices. This pullback, combined with strong production and cash generation expected in Q3, makes Metro Mining an attractive investment opportunity.

Looking ahead, tentative signs suggest that activity levels have bottomed in certain cyclical sectors, and the prospect of rate cuts and active fiscal stimulus over the next 12 months provides a tailwind for further market gains. Nevertheless, we anticipate continued market volatility in the coming months due to slowing consumer demand, potential policy changes from the US election, and ongoing geopolitical risks.

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

CUMULATIVE FUND PERFORMANCE

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



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	<p>Potentially Lower Returns</p> <p>1 2 3 4 5 6 7</p> <p>Potentially Higher Returns</p> <p>Lower Risk Higher Risk</p>



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PERFORMANCE

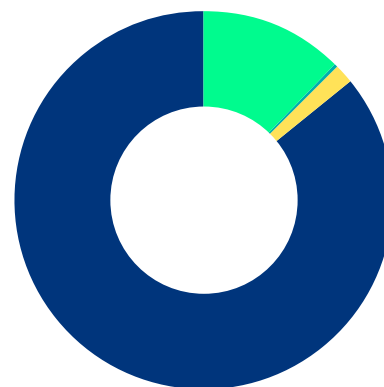
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Australasian Emerging Companies Fund	0.3%	19.9%	5.1%	13.5%	12.6%	13.9%	18.7%
MARKET INDEX¹	1.6%	7.6%	0.5%	9.5%	9.3%	7.9%	6.1%

Returns after fees but before individual PIR tax applied

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

INVESTMENT MIX

● Cash (including Derivatives)	12.4%
● International Fixed Interest	0.1%
● New Zealand Equities	1.9%
● Australian Equities	85.5%



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

TOP FIVE EQUITY HOLDINGS

Austin Engineering Ltd
Dropsuite Ltd
Generation Development Group Ltd
IPD Group Ltd
Spartan Resources Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$6.98

ANNUALISED RETURN SINCE INCEPTION

18.7% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 August 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.