



Australasian Growth Fund

Monthly Update as at 31 August 2024

PORTFOLIO MANAGER(S)



MICHAEL GOLTSMAN
Lead Portfolio Manager



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Co-Portfolio Manager

FUND COMMENTARY

The Australasian Growth Fund returned 1.1% during the month, bringing it to a 12-month return of 16.0%.

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.

Our portfolio performed well this reporting season, with 77% of holdings either exceeding market expectations or signalling an improving outlook. That said, we remain vigilant, especially with underperformers, and have reassessed positions in response to a weakening environment.

Life360 emerged as a standout contributor, following a strong 2Q earnings report and an upgrade to both revenue and EBITDA guidance for the full year. The outlook for Life360 remains robust, driven by growth in paying circles within the US, expansion into new markets, and the forthcoming rollout of advertising, which is expected to positively impact the P&L later this year.

On the other hand, Johns Lyng detracted from performance this month. While the FY24 results met headline expectations after adjustments for one-off costs, the forward FY25 guidance of \$123.5m EBITDA fell about 15% short of expectations, indicating a contraction in its core Australian business. This has weighed on market sentiment.

The number of positions in the fund remains steady at 27, with cash and cash equivalents decreasing to 9.7%.

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.

CUMULATIVE FUND PERFORMANCE

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



● Australasian Growth 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 companies.
Inception date	December 2007
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

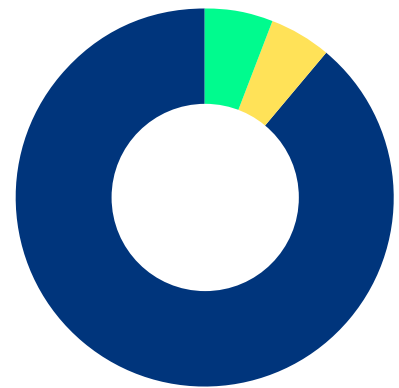
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Australasian Growth Fund	1.1%	16.0%	-2.5%	4.4%	8.5%	8.3%	13.2%
MARKET INDEX¹	-2.3%	8.1%	-1.5%	4.2%	5.6%	5.5%	1.1%

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)	6.1%
● New Zealand Equities	5.1%
● Australian Equities	88.8%



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

TOP FIVE EQUITY HOLDINGS

Clearview Wealth Ltd
Generation Development Group Ltd
IPD Group Ltd
Life360 Inc
Tyro Payments Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$7.81

ANNUALISED RETURN SINCE INCEPTION

13.2% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



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