



# Global Growth Fund

Monthly Update as at 31 August 2024

## PORTFOLIO MANAGER(S)



**GUY THORNEWILL\***  
Head of Global Research



**TOBY WOODS\***  
Senior Investment Analyst



**MIKE TAYLOR**  
Founder and Chief Investment Officer

\*Guy Thornewill and Toby Woods are responsible for research and analysis

## FUND COMMENTARY

The Global Growth Fund returned -0.2% during the month, bringing it to a 12-month return of 6.1%.

Market volatility increased further during the month, with equity markets experiencing sharp falls at the beginning of August before recouping most of the losses or even moving higher in some cases. This volatility was primarily caused by the Bank of Japan raising interest rates, leading to steep declines in Japanese stocks that spilled over into other equity markets. Additionally, weaker news on US employment raised further concerns. However, markets recovered quickly as these events made further central bank interest rate cuts, excluding Japan, more likely. Although consumer spending is slowing in many countries, recession fears seem overblown for now. Smaller company equities should do well in this environment, unless growth suddenly slows much faster, which we don't expect.

Stronger performers during the month included FRP Advisory, which provides administration and restructuring services to businesses in the UK. Despite the UK economy starting to improve and the Bank of England cutting rates in August, many businesses are still struggling due to inflation and labour issues, meaning bankruptcies are high and likely to remain so. Merit Medical, which provides medical devices primarily for the cardiology market, reported strong earnings and saw a positive share price reaction.

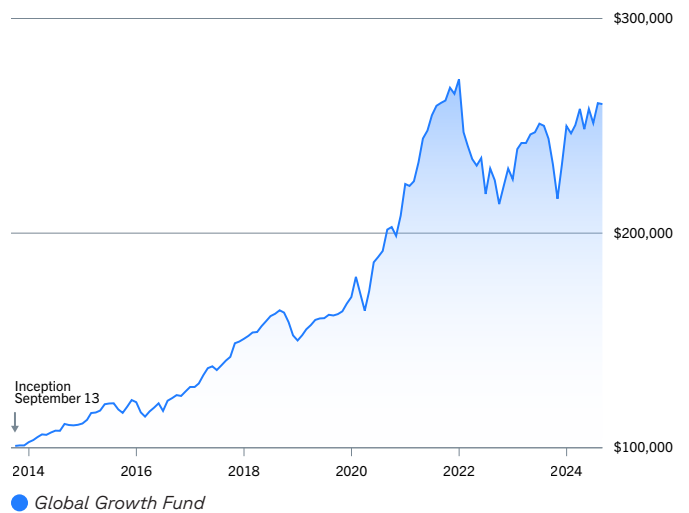
On the negative side, there were two disappointments in August. Firstly, JFrog, which provides software and security services, reduced its earnings guidance as some customers have become more hesitant to sign larger deals due to the softer economy. We are confident the shares will recover as this is not a market share issue. Tecan, a Swiss provider of laboratory automation equipment, also reduced its guidance due to softer customer spending and slower sales in China. We sold half of our position.

There were no other major changes to the fund during the month, as we continue to look for new ideas to increase the fund's weighting in US smaller company equities. The fund has been underweight in the consumer sector, which has been the right call as companies in this area have struggled, but we are now looking for opportunities where share prices may have become oversold.

For more information on our funds, please visit [www.piefunds.co.nz/Investor-Documents](http://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 international smaller companies, international managed funds and other products issued by Pie Funds.
Inception date	September 2013
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px;">5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>



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## PERFORMANCE

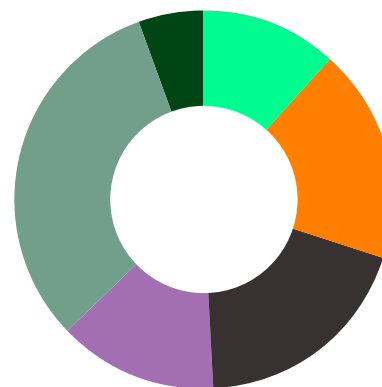
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Global Growth Fund	-0.2%	6.1%	-0.2%	10.0%	9.2%	8.9%	9.1%
MARKET INDEX <sup>1</sup>	-1.4%	10.6%	4.9%	9.3%	9.3%	10.2%	10.4%

Returns after fees but before individual PIR tax applied

1. S&P Global SmallCap Total Return Index (75% hedged to NZD).

## INVESTMENT MIX

Cash (including Derivatives)	11.9%
Emerging Market Equities	18.3%
European Equities	19.2%
UK Equities	13.5%
US and Canadian Equities	31.7%
Listed Property	5.4%



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

## TOP FIVE EQUITY HOLDINGS

Blackbaud Inc

CBIZ Inc

Colliers International Group Inc

Merit Medical Systems Inc

William Blair SICAV

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$2.58**

### ANNUALISED RETURN SINCE INCEPTION

**9.1% 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](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.