



Australasian Emerging Companies Fund

Monthly Update as at 29 February 2024

PORTFOLIO MANAGER(S)



KENT WILLIAMS

Lead Portfolio Manager



MICHELLE LOPEZ

Head of Australasian Equities
and Lead Portfolio Manager

FUND COMMENTARY

The Emerging Companies Fund returned 3.1% in February, bringing it to a 12-month return of 19.0%.

February was a strong month for equity markets globally. Of particular note, the S&P/ASX Emerging Companies Index (micro-cap index) outperformed all major indices. Strong earnings from the industrial micro-caps and a rally off the lows for the resources sector drove this outcome.

The key contributors to the performance were Audinate, Ansarada, and Service Stream.

Audinate delivered another strong earnings result, with the share price rallying significantly throughout the month. Investors continue to reward Audinate's dominant market position and expansion into the video market.

Ansarada rallied significantly due to a takeover offer from Private Equity. While this represented a positive return during the month, we believe the deal price substantially undervalues the company over the medium term. Additionally, we are starting to see several signs that the M&A market is heating up, which is the key driver of earnings leverage in the business.

Service Stream delivered a strong 1H24 result and is in a very comfortable position heading into 2H24. We see minimal 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.

Kip McGrath detracted from performance after releasing their 1H24 results. Pleasingly, the lead indicators point to a solid 2H24 result, particularly in their US market. We see an upside to earnings and valuation on a 12-month basis and expect the market will reward the business post the 2H24 result.

Looking forward, markets globally remain in a bull market phase, and we are positioned to capture the ongoing upside whilst maintaining highly vigilant to the downside risks.

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	<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>



Australasian Emerging Companies Fund

Monthly Update as at 29 February 2024

PERFORMANCE

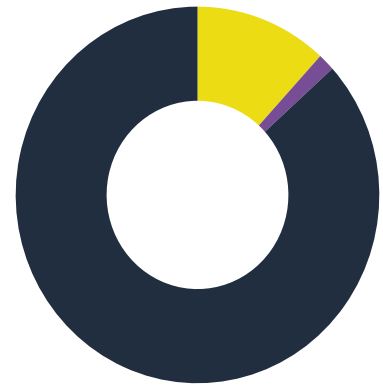
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Australasian Emerging Companies Fund	3.1%	19.0%	3.6%	13.1%	12.0%	14.4%	18.4%
MARKET INDEX¹	5.1%	-4.5%	1.7%	11.7%	8.3%	7.9%	5.6%

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)	11.8%
● New Zealand Equities	1.5%
● Australian Equities	86.7%



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
Fleetwood Ltd
IPD Group Ltd
Mermaid Marine Australia Ltd
Service Stream LTD

Holdings are listed in alphabetical order.

UNIT PRICE

\$6.26

ANNUALISED RETURN SINCE INCEPTION

18.4% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Pie Funds

Information is current as at 29 February 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. 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.