



Australasian Growth 2 Fund

Monthly Update as at 29 February 2024

PORTFOLIO MANAGER(S)



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FUND COMMENTARY

The Australasian Growth 2 Fund returned 4.0% in February, bringing it to a 12-month return of 10.2%.

Australian shares rose in February, lifting the ASX to its first new high since August 2021. Typically, a new high is bullish, as it is a sign that something has changed, and, in this case, what changed is a re-acceleration of the US cycle. At the same time, investors are looking forward to Australia's rate cuts and tax cuts. However, the big moves (up and downside) were off the back of company-specific news, given that February is our reporting season.

Critical contributors to performance included CSR Limited (+27%). French building materials company Saint-Gobain made a \$9.00/share all-cash offer, representing a 39% premium to the 3-month average price. We believe the proposed takeover transaction has a high probability of success, given:

1. Value certainty.
2. Quality counterparty: Saint-Gobain is a global leader in lightweight building materials.
3. Meaningful premium and full valuation.

We will use CSR as a source of cash and recycle capital into higher-returning prospects.

GQG Partners (+19%) and Next DC (+26%) were also strong contributors to performance. The former reported strong quarterly inflows, with momentum continuing and outperformance across their strategies. Next DC reported results ahead of expectation, and the market rewarded its outlook commentary of exceptionally strong customer demand and a significant project pipeline.

Detracting from the performance was Ridley (-14%), as a continuation of soft tallow prices will impact second-half earnings growth expectations. We see this as a short-term impact on overall earnings, with the medium-term thesis still on track. We expect a 10% CAGR in EPS over the next two years, driven by the contribution of Oceania Meat Processors and ongoing premiumisation in the Packaged and Ingredients segments. Corporate Travel Management (-22%) was negatively impacted by a downgrade to their full-year guidance, with the company flagging their UK Government Bridging contract as the main driver.

Given our constructive view on equity returns for the year ahead, cash levels remain at the lower end of the range.

CUMULATIVE FUND PERFORMANCE

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



● Australasian Growth 2 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 and medium companies.
Inception date	August 2015
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Potentially Lower Returns Potentially Higher Returns </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Lower Risk Higher Risk </div>



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PERFORMANCE

	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Australasian Growth 2 Fund	4.0%	10.2%	-7.5%	8.6%	9.6%	10.9%
MARKET INDEX¹	3.5%	4.5%	1.1%	4.7%	6.4%	7.2%

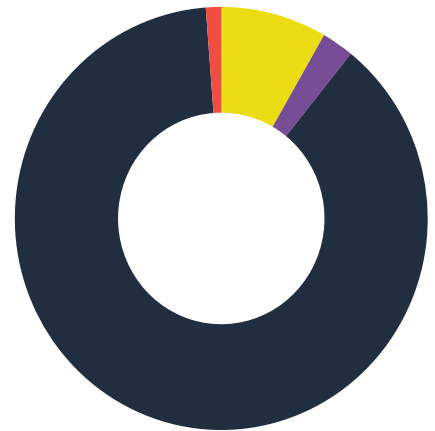
Returns after fees but before individual PIR tax applied

1. S&P/ASX Mid Cap 50 & Small Ordinaries Daily 50/50 Blend Total Return Index (75% hedged to NZD).

INVESTMENT MIX

● Cash (including Derivatives)	8.3%
● New Zealand Equities	2.5%
● Australian Equities	88.0%
● Listed Property	1.2%

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



TOP FIVE EQUITY HOLDINGS

CSR Limited
GQG Partners Inc
HUB24 Limited
Life360 Inc
Seven Group Holdings Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$2.40

ANNUALISED RETURN SINCE INCEPTION

10.9% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Pie Funds

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