



Australasian Growth 2 Fund

Monthly Update as at 30 June 2024

PORTFOLIO MANAGER(S)



MICHELLE LOPEZ

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KENT WILLIAMS

Co-Portfolio Manager

FUND COMMENTARY

The Australasian Growth 2 Fund returned 0.2% during the month, bringing it to a 12-month return of 24.8%.

Small and mid cap equities had a volatile month, weighed down by cautionary consumer sentiment, driving several retail downgrades; and weak commodity prices driven in main by concerns over China's growth. Fortuitously, our Funds are underweight these sectors, but the small exposure we did have was impacted.

Key contributors to Fund performance this month included Pro Medicus (+21%) and Infratil (+10.4%). Pro Medicus recently received Federal Risk and Authorisation Management Program (FedRAMP) accreditation by the US Department of Defense (US DoD), which allows them to tender for contracts within both their departments: Active Duty and Veteran Affairs, both of which are transitioning to the Cloud. The US DoD represents circa 15% of the US market, which we believe to be 650m scans pa. In addition, PME have renewed 7 major contracts with price increases of 40-50%, they continue to announce new contract wins and entering new specialties (eg Cardiology). Given a market share of circa 7%, this indicates a solid pathway for continued growth over the coming years.

Infratil executed a NZ\$1.5bn capital raise at NZ\$10.15 per share, which was well supported by shareholders. The primary purpose is to fund the growth of its Data Centre portfolio company CDC (48% owned). The company announced increases to planned capacity (1,870MW by 2033); 400MW+ of capacity under advanced negotiation; and 200MW+ to commence construction in the next 12 months (in addition to the 416MW announced at the full year results). We expect this to be value accretive as the investment generates solid cashflows (approx. A\$2m of EBITDAF per MW once commissioned) and as such actively participated in the raise.

The key detractor of performance was Mineral Resources (-24%). Although there was a key balance sheet de-risking event (49% sale of its Onslow Iron Haul Road for \$1.2bn post tax), the share price was impacted by weak commodity prices, specifically lithium and iron ore. The weaker iron ore price has led the company to bring forward the closure of their high cost mines in the Yilgarn Hub. Whilst we expect share price volatility in the short term, driven by commodity prices, the investment thesis remains unchanged: a material step up in cash-flows from core operations of Iron Ore (Onslow Iron), Lithium (Wodgina) and Mining Services, enabling the company to pay down debt and move towards their 20% ROIC target.

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.



● 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

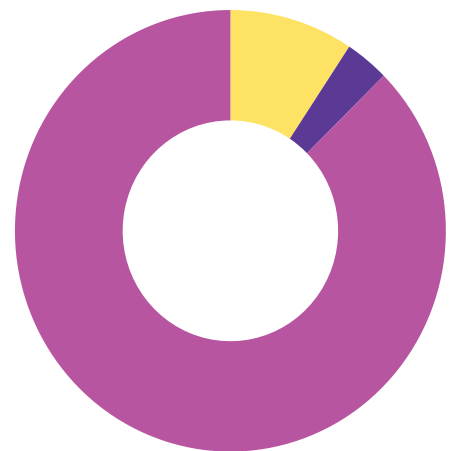
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Australasian Growth 2 Fund	0.2%	24.8%	-4.0%	8.3%	10.4%	11.7%
MARKET INDEX¹	-1.1%	7.3%	-1.8%	4.1%	6.4%	7.0%

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)	9.3%
● New Zealand Equities	3.3%
● Australian Equities	87.4%



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

TOP FIVE EQUITY HOLDINGS

HUB24 Limited
Life360 Inc
Resmed Inc
Seven Group Holdings Ltd
Webjet Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$2.65

ANNUALISED RETURN SINCE INCEPTION

11.7% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



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