



Australasian Growth 2 Fund

Monthly Update as at 31 May 2024

PORTFOLIO MANAGER(S)



MICHELLE LOPEZ

Head of Australasian Equities and Lead Portfolio Manager



KENT WILLIAMS

Co-Portfolio Manager

FUND COMMENTARY

The Australasian Growth 2 Fund returned 2.8% during the month, bringing it to a 12-month return of 27.3%.

May was a mixed month for equity markets. We saw the unemployment rate rise from 3.9% to 4.1%, an easing in consumer confidence and inflation continuing to run ahead of the target range. This presents some headwinds for the consumer which has led to several downgrades across the small cap discretionary names, none of which we owned. The Small Ordinaries Index was down 0.1% in May, boosted by Small Resources which were +1.9%, with Industrials lagging.

Amongst the top contributors to performance for the Fund was Telix Pharmaceuticals (+20.2%) following the company's announcement of positive data from the ProstACT SELECT trial of TLX591, a therapy for the treatment of adult patients with prostate cancer. This is a positive sign for ProstAct GLOBAL Phase 3 trials, a wider study to be conducted in a different patient group, those with earlier stage disease who are to receive TLX-591 as either first- or second-line therapy.

Pinnacle Investment Management (+14.7%) rallied off the back of the announcement that they intend to establish a new affiliate led by former members of the Royal London global equities team. This is a highly rated investment team based in London and a strong endorsement of PNI's model and international opportunities.

Detracting from performance was James Hardie Industries (-14.9%), driven by underwhelming FY25 guidance provided at their FY24 result announcement. The key driver of the downgrade was a push out of the recovery in the renovate and remodel market into FY26. This market segment represents 60-65% of the company's North American volumes and a meaningful driver of earnings growth. We consider this to be a cyclical, rather than structural downgrade and believe the longer term fundamentals remain solid for JHX.

From a portfolio construction perspective, we continue to take advantage of market volatility to build positions in companies we believe to have both a near term catalyst and long term structural growth, with solid fundamentals and valuation upside.

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

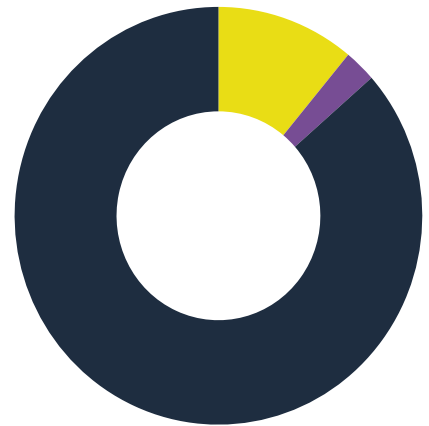
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Australasian Growth 2 Fund	2.8%	27.3%	-2.7%	8.3%	10.8%	11.8%
MARKET INDEX¹	0.0%	9.3%	-0.1%	4.2%	6.9%	7.2%

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)	10.0%
● New Zealand Equities	2.3%
● Australian Equities	87.7%



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

\$2.64

ANNUALISED RETURN SINCE INCEPTION

11.8% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 May 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. 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.