



Growth UK & Europe Fund

Monthly Update as at 30 September 2024

PORTFOLIO MANAGER(S)



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Head of Global Research



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

FUND COMMENTARY

The Growth UK & Europe Fund returned -2.2% during the month, bringing it to a 12-month return of 18.4%.

September witnessed significant central bank actions globally. As inflation moderates, interest rates are being eased across major economies, and China has undertaken substantial fiscal easing. Europe has followed suit, with the European Central Bank (ECB) cutting rates in September, and economists anticipate further cuts before the end of the year. This environment generally favours European growth companies, while China's stimulus is expected to boost prospects for exporters and retailers. However, a dampening factor has been slower demand in the automotive sector, leading to profit warnings from major European car manufacturers, which has weighed on market sentiment.

Amid this evolving backdrop, we have adjusted the fund's positioning to address these dynamic conditions. Our exposure to the automotive sector was minimal, limited to a German manufacturer of plant assembly equipment, Duerr. As the signs of weaker demand became apparent, we swiftly sold our stake. We reinvested in TAG Immobilien, a residential property owner and developer operating in Germany and Poland, which stands to benefit from the lower interest rates. Additionally, we initiated a position in Trustpilot, a UK-based technology company experiencing high growth, particularly in the US. As consumer confidence rises in a declining interest rate environment, engagement with consumer ratings and demand for Trustpilot's data-driven insights are expected to increase. Trustpilot is an innovative company that aligns with a key investment theme that we will discuss further in our upcoming Investor Series in November.

In other portfolio activity, Volution experienced strong gains after a significant acquisition of an Australian ventilation product manufacturer, while Trainline outperformed, buoyed by a positive half-year update. On the downside, Bufab declined due to concerns about delayed industrial demand recovery, and Do&Co saw a retreat linked to worries about slowing travel demand.

Overall, we remain optimistic that the environment continues to support growth for smaller European companies.

CUMULATIVE FUND PERFORMANCE

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



● Growth UK & Europe Fund

FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed UK & European smaller companies.
Inception date	November 2016
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>

For more information on our funds, please visit www.piefunds.co.nz/Investor-Documents



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PERFORMANCE

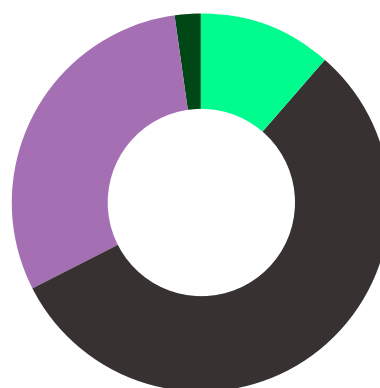
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Growth UK & Europe Fund	-2.2%	18.4%	-1.5%	9.0%	6.9%	8.2%
MARKET INDEX ¹	0.8%	19.8%	1.5%	6.9%	6.1%	9.0%

Returns after fees but before individual PIR tax applied

1. S&P Europe Small Cap Gross Total Return Index (75% hedged to NZD).

INVESTMENT MIX

Cash (including Derivatives)	11.6%
European Equities	55.9%
UK Equities	30.4%
Listed Property	2.1%



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

TOP FIVE EQUITY HOLDINGS

Discoverie Group PLC
Dunelm Group PLC
Frp Advisory Group PLC
Invisio Communications AB
Sdiptech AB (publ)

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.86

ANNUALISED RETURN SINCE INCEPTION

8.2% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 September 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.