



# Australasian Dividend Growth Fund

Monthly Update as at 31 August 2024

## PORTFOLIO MANAGER(S)



**MIKE ROSS**  
Lead Portfolio Manager



**MICHAEL GOLTSMAN**  
Co-Portfolio Manager



## FUND COMMENTARY

The Dividend Growth Fund returned -3.6% during the month, bringing it to a 12-month return of 14.4%.

August was an incredibly active month for the Australian investment community, largely driven by the reporting season. Despite challenges like higher interest rates and ongoing cost-of-living pressures, many Australian companies delivered positive earnings surprises. However, guidance was cautiously set, leading to more downgrades than upgrades for FY25. On a positive note, corporate balance sheets remain robust, enabling several companies to initiate or renew buyback programs.

In terms of portfolio performance, several holdings made strong contributions in August, including Zip (+26%), Life360 (+15%), MA Financial (+18%), and Hub24 (+13%). Unfortunately, these gains were overshadowed by losses, particularly from our largest position, Johns Lyng, which dropped 36%. The significance of position sizing in portfolio management was underscored by this outcome, marking it as a key area for reflection in August.

Johns Lyng's results aligned with guidance, but only after accounting for one-off costs of \$5 million and unexpected acquisitions. The company issued FY25 guidance of \$123.5 million EBITDA, which fell short of market expectations. This shortfall suggests that JLG's core Australian business is contracting organically and has benefited from elevated catastrophe work and inclement weather in recent years. With earnings now recalibrated, Johns Lyng has de-rated to approximately 19x price-to-earnings—a reasonable valuation for a defensive business with insider alignment, a strong performance-driven culture, and a history of accretive acquisitions. Notably, founder Scott Didier and other directors have purchased shares on the market following the price drop and we have maintained our position.

Looking ahead, tentative signs suggest that activity levels have bottomed in certain cyclical sectors, and the prospect of rate cuts and active fiscal stimulus over the next 12 months provides a tailwind for further market gains. Nevertheless, we anticipate continued market volatility in the coming months due to slowing consumer demand, potential policy changes from the US election, and ongoing geopolitical risks.

For more information on our funds, please visit [www.piefunds.co.nz/Investor-Documents](http://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, before tax.



● Australasian Dividend Growth Fund

## FUND DETAILS

Recommended minimum investment period	5 years
Objective	Generate income and capital growth over a period exceeding 5 years.
Description	Invests predominantly in listed Australasian smaller and medium growth companies paying dividends or that will produce cash-flow for future distributions.
Inception date	September 2011
Standard withdrawal period	10 working days
Risk indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">Potentially Lower Returns</div> <div style="text-align: center;">Potentially Higher Returns</div> </div> <div style="display: flex; justify-content: center; align-items: center; margin: 5px 0;"> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">1</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">2</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">3</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">4</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">5</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px; background-color: #2e7d32; color: white;">6</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">Lower Risk</div> <div style="text-align: center;">Higher Risk</div> </div>



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## PERFORMANCE

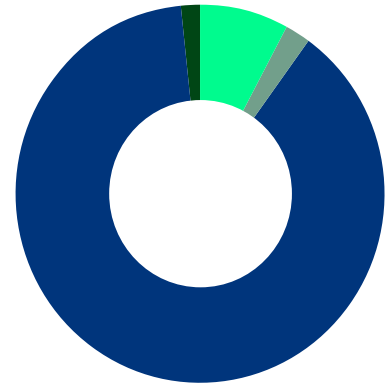
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
<b>Australasian Dividend Growth Fund</b>	-3.6%	14.4%	3.7%	12.0%	12.7%	12.1%	15.6%
<b>MARKET INDEX<sup>1</sup></b>	-2.3%	8.1%	-1.5%	4.2%	5.6%	5.5%	3.5%

Returns after fees but before individual PIR tax applied

1. S&P/ASX Small Ordinaries Total Return Index (75% hedged to NZD).

## INVESTMENT MIX

Cash (including Derivatives)	8.0%
US and Canadian Equities	2.0%
Australian Equities	88.5%
Listed Property	1.5%



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

## TOP FIVE EQUITY HOLDINGS

AUB Group Limited
Flight Centre Travel Group Ltd
Johns Lyng Group LTD
Life360 Inc
Zip Co Ltd

Holdings are listed in alphabetical order.

### UNIT PRICE

**\$4.54**

### ANNUALISED RETURN SINCE INCEPTION

**15.6% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



Information is current as at 31 August 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](http://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.