



Australasian Growth 2 Fund

Monthly Update as at 31 August 2024

PORTFOLIO MANAGER(S)



MICHELLE LOPEZ

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FUND COMMENTARY

The Australasian Growth 2 Fund returned 0.1% during the month, bringing it to a 12-month return of 23.8%.

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.

One of the standout performers in our fund was Wisetech, which surged 23.3%. Our long-term investment strategy paid off this month, having initiated our position a year ago after a 20% pullback, and accumulated further during periods of near-term margin concerns. The highlight of Wisetech's result was the announcement of three major product releases: CargoWise Next, Container Transport Optimization, and ComplianceWise. The latter two are whitespace products providing significant efficiencies for logistics companies, expected to lead to substantial revenue, EBITDA, and margin growth from 2H25. Wisetech's FY25 guidance indicates EBITDA of \$660-700m, implying 33-41% growth, with an exit margin of 53%. The company's moat continues to strengthen, bolstered by its consistent investment in R&D, which represents 35% of revenue and totals \$1.1bn over the last five years.

Conversely, Beach Energy was a key detractor, down 15.9%. This result was particularly disappointing, as we believed the production downgrades and asset impairments of recent years were behind them, following the strategic review by the new management team in June. However, production from their new field in the Otway Basin (Enterprise) fell short of expectations, leading to further reserve write-downs. The long-term thesis for owning Beach Energy remains intact, driven by production ramp-ups from Waitsia and Otway and operational improvements expected to generate significant free cash flow, supported by a structural East coast gas shortage. However, it is crucial for the company to deliver on these expectations.

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

CUMULATIVE FUND PERFORMANCE

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



● 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	<p>Potentially Lower Returns Potentially Higher Returns</p> <p>1 2 3 4 5 6 7</p> <p>Lower Risk Higher Risk</p>



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PERFORMANCE

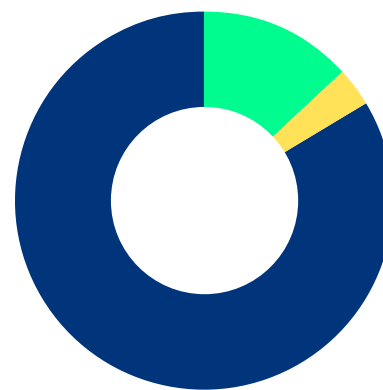
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Australasian Growth 2 Fund	0.1%	23.8%	-4.1%	7.5%	10.0%	11.9%
MARKET INDEX ¹	-0.3%	8.8%	-1.3%	4.3%	5.7%	7.3%

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)	13.3%
New Zealand Equities	3.2%
Australian Equities	83.4%



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
Pinnacle Investment Management Group Ltd
Resmed Inc
Seven Group Holdings Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$2.75

ANNUALISED RETURN SINCE INCEPTION

11.9% 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. 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.