



Australasian Emerging Companies Fund

Monthly Update as at 30 November 2024

PORTFOLIO MANAGER(S)



KENT WILLIAMS
Lead Portfolio Manager



MICHELLE LOPEZ
Head of Australasian Equities and
Co-Portfolio Manager

FUND COMMENTARY

The Emerging Companies Fund returned -1.2% during the month, bringing its 12-month return to 31.9%.

Australian equities rose in November, with small caps, as represented by the Small Ordinaries (+1.3%), lagging the broader market (ASX 200 +3.6%). Our market followed the US higher after Trump's election win, with ASX stocks with higher US exposure generally being strong performers. Technology was the best-performing sector, while Resources were the worst, driven mainly by a pullback in gold following a stellar run this year. The RBA kept rates on hold, and consensus has increasingly pushed back the timing of the first RBA cut to May 2025.

The key contributors to performance were Metro Mining and Kip McGrath Education. IPD Group detracted from performance during the month after posting a trading update.

Metro Mining's share price continued to rally in November, driven by a further tightening in the bauxite market. The key change since a month ago is that Rio Tinto lifted the force majeure on their Gladstone operations. This is important because it has improved price discovery, with the Australian bauxite price gapping up 29% in one week as a result. Given Metro Mining is a pure-play bauxite producer, higher bauxite prices feed directly into higher earnings for the company. We continue to see significant valuation upside in this position.

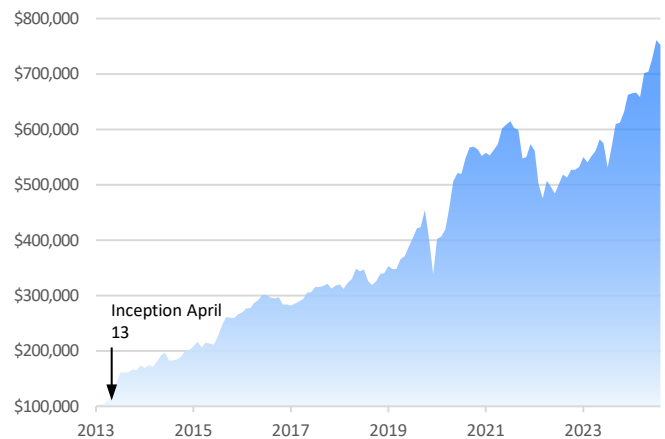
Kip McGrath delivered an AGM trading update in November, with improved disclosures after the refreshed board. These disclosures highlight that first-quarter trading has improved significantly compared to the prior comparative period. It also provides investors with a better roadmap for analysing the company. Both these factors go a long way to improving investor confidence and interest in the business. If the company continues on its current trajectory, we expect the stock to re-rate significantly off the currently depressed levels.

IPD Group delivered a weaker-than-expected 1H25 trading update due to macroeconomic challenges in the commercial construction sector, which has resulted in a lengthening of the revenue conversion cycle and a lumpier revenue profile, resulting in lower gross margins. While this is by no means positive in the short term, there should be an element of catch-up in 2H25 as the longer lead times move into a steady flow. Additionally, the business is exposed to a number of structural tailwinds like electrification and infrastructure spending. The stock continues to trade on an attractive multiple with a long runway for growth, and we remain confident in the long-term prospects of the business.

We remain optimistic as we head into 2025 but have rotated some of our winners into companies where valuations are more appealing.

CUMULATIVE FUND PERFORMANCE

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



FUND DETAILS

Recommended minimum investment period	5 years
Objective	Capital growth over a period exceeding five years.
Description	Invests predominantly in listed Australasian emerging companies
Inception date	April 2013
Standard withdrawal period	15 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



Australasian Emerging Companies Fund

Monthly Update as at 30 November 2024

PERFORMANCE

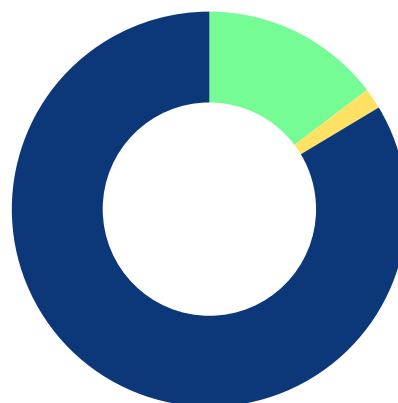
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)	Annualised since inception
Australasian Emerging Companies Fund	-1.2%	31.9%	7.5%	12.2%	13.2%	15.2%	18.9%
MARKET INDEX ¹	-0.9%	24.1%	-1.1%	10.4%	8.5%	10.6%	6.6%

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)	14.7%
New Zealand Equities	1.7%
Australian Equities	83.6%



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

TOP FIVE HOLDINGS (EXCLUDING CASH)

Access Innovation Holdings Ltd
Dropsuite Ltd
Generation Development Group Ltd
Metro Mining Ltd
Zip Co Ltd

Holdings are listed in alphabetical order.

UNIT PRICE

\$7.47

ANNUALISED RETURN SINCE INCEPTION

18.9% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 30 November 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.