



# Australasian Growth 2 Fund

Monthly Update as at 31 October 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 -0.3% in October, bringing its 12-month return to 40.2%.

October proved to be a volatile month for Australian equities, heavily influenced by global economic factors. The US interest rate policy pushed bond yields higher, while China's stimulus measures boosted the resource sector, and US election jitters sent gold to record levels. During the month, our Australasian investment team was actively engaged with many companies holding their Annual General Meetings and issuing trading updates. Domestically, persistent inflation and cautious consumer spending remain key challenges, tempering the outlook for some sectors.

This month, the Fund's standout performers were HUB24 18.4% and Life360 17.4%. HUB24 posted a robust first-quarter update for FY25, driven by strong net inflows of \$4 billion, with a market movement adding \$3.1 billion to close funds under administration (FUA) at \$91.6 billion. This strengthens confidence in HUB24's target of \$115 billion - \$123 billion in FUA by FY26. With a current industry market share of around 7%, there remains substantial potential for further growth. However, the main question now is whether the current share price reflects this upside. Life360 also delivered strong performance, benefiting from favourable market conditions.

The largest detractor from the Fund's performance was Flight Centre (-29%), which issued a soft trading update. The company cited deflation in airline ticket prices and broader macroeconomic challenges as key factors. While trading in the first quarter of FY25 was marginally better than the prior period in terms of Total Transaction Value (TTV), profit margin, and underlying profit, the outcome was below expectations. Nevertheless, we are monitoring the situation closely, as this was a quarterly update, and we expect to gain more clarity in the medium term. Flight Centre plans to provide FY25 guidance at its AGM on 14 November.

The Fund has initiated new positions in the Industrial and Financial Services sectors, which are expected to benefit from an anticipated rise in domestic capital expenditure. Looking forward, we are seeing tentative signs that activity levels have bottomed in certain cyclical sectors. The prospect of interest rate cuts over the next year, along with ongoing fiscal stimulus, may provide a favourable backdrop for further market gains.

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



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## PERFORMANCE

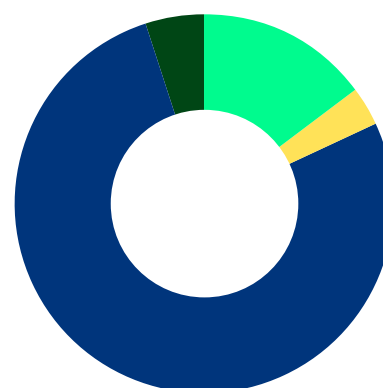
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
<b>Australasian Growth 2 Fund</b>	-0.3%	40.2%	-2.6%	7.6%	10.1%	12.3%
<b>MARKET INDEX<sup>1</sup></b>	-0.6%	25.4%	-0.1%	4.5%	5.0%	7.6%

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)	14.8%
New Zealand Equities	3.5%
Australian Equities	76.9%
Listed Property	4.8%



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

**\$2.89**

### ANNUALISED RETURN SINCE INCEPTION

**12.3% p.a.**

after fees and before tax

### FUND STATUS

CLOSED

OPEN



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