



# Australasian Emerging Companies Fund

Monthly Update as at 31 January 2025

## PORTFOLIO MANAGER(S)



**KENT WILLIAMS**  
Lead Portfolio Manager



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Head of Australasian Equities and  
Co-Portfolio Manager

## FUND COMMENTARY

The Emerging Companies Fund returned 3.7% during the month, bringing its 12-month return to 24.7%.

Gains were part of a global risk-on rally. Corporate news flow was relatively quiet, as many companies were in blackout ahead of February's reporting season. While some retailers issued softer trading updates and miners reported quarterly production figures, overall market sentiment remained positive.

Key contributors to performance were Dropsuite and Dimerix, while Zip detracted despite a positive trading update that fell short of investors' high expectations.

Dropsuite delivered a strong quarterly update, but its 30% share price surge in January was driven by a takeover offer. The premium is reasonable, and with major shareholder approval, the deal is likely to proceed. However, it is bittersweet, as Dropsuite is one of the highest-quality technology companies on the ASX. Given its strong topline growth, attractive valuation, and positive cash flow, we believe shareholders would be better served if it remained listed.

Dimerix also had a strong month, rising similarly after announcing a licensing agreement for Japan. Such agreements are crucial as they represent financial and commercial commitments to bringing products to market. This marks the company's third deal, with key remaining regions - the US and China - expected to follow within 12-24 months, pending Phase 3 trial results.

Zip shares declined post-update, despite encouraging US customer growth. Given its trajectory, we see the price drop as a short-term blip.

With reporting season ahead, we hold c. 16% cash to capitalize on volatility and mispricing opportunities.

## 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;"> <span>Potentially Lower Returns</span> <span>Potentially Higher Returns</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span>5</span> <span style="border: 2px solid black; border-radius: 50%; padding: 2px 5px;">6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; font-size: small;"> <span>Lower Risk</span> <span>Higher Risk</span> </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
Australasian Emerging Companies Fund	3.7%	24.7%	11.5%	10.8%	13.1%	14.9%	18.8%
MARKET INDEX <sup>1</sup>	0.3%	24.1%	0.2%	10.7%	7.7%	10.9%	6.6%

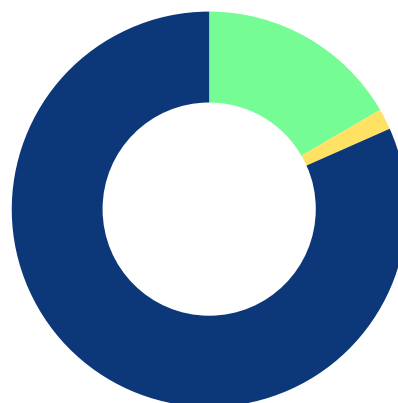
Returns after fees but before individual PIR tax applied

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

## INVESTMENT MIX

Cash (including Derivatives)	16.6%
New Zealand Equities	1.7%
Australian Equities	81.6%

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
IPD Group Ltd
Metro Mining Ltd

Holdings are listed in alphabetical order.

## UNIT PRICE

**\$7.58**

## ANNUALISED RETURN SINCE INCEPTION

**18.8% p.a.**

after fees and before tax

## FUND STATUS

CLOSED

OPEN



Information is current as at 31 January 2025. Pie Funds Management Limited ("Pie Funds") is the issuer and manager of the funds in the Pie Funds Management Scheme and the Pie KiwiSaver Scheme ("Schemes"), the product disclosure statements of which can be found at [www.piefunds.co.nz](http://www.piefunds.co.nz). Past performance is not an indicator of future returns. This information is general only. Please see a financial adviser for tailored advice.