



Growth UK & Europe Fund

Monthly Update as at 31 December 2024

PORTFOLIO MANAGER(S)



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FUND COMMENTARY

The Growth UK & Europe Fund returned 1.8% during the month, bringing it to a 12-month return of 9.9%.

There was no 'Santa rally' in European markets this year, with the main European indices declining slightly in the month of December. The ECB cut interest rates another 25 basis points, as was largely expected, given the EU's desire to support economic growth going into 2025. We expect further cuts this year. In the UK, however, the BoE kept rates on hold as recent inflation numbers surprised slightly to the upside.

In the fund, a couple of stocks performed particularly strongly. Planisware had a bounce back, rising to above the levels reached in October before it downgraded its growth target (but upgraded profits) for the year. We met senior management at the beginning of December who made it clear that the miss in growth was mainly a timing issue. This message appears to have resonated well with the market. DiscoverIE reported strong results, and it seems that an upturn in order intake is starting to materialise. We have long believed that this well managed company is undervalued.

The main laggard in the month was Redcare, a fast growing online German pharmacy group. News that one of the largest German drugstore chains was potentially entering the online pharmacy market brought the shares down. However, the new entrant's lack of digital experience, the challenges of building an online presence and the inability to sell prescription drugs suggests limited disruption only. We also met Redcare's management during the month and remain convinced of the growth opportunity regardless of increasing competition.

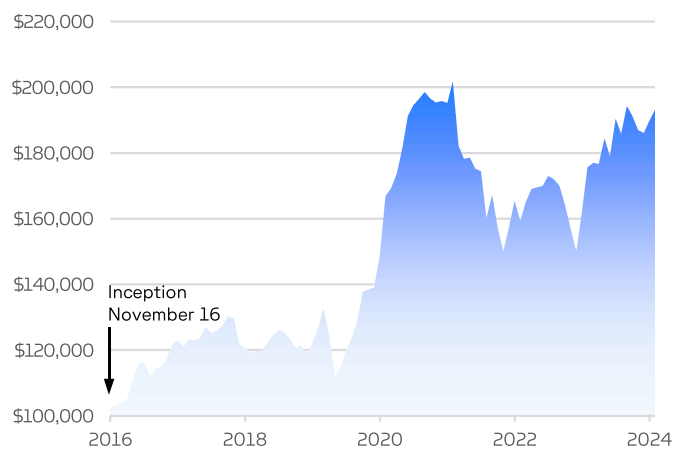
We exited three stocks during December. Vusion group has been held since early 2020, during which time the shares have increased over 5 times. Volution was bought in early 2023, and we are selling it roughly 35% higher now that the valuation has reredited, as we expected. We moved on from Dunelm after a flat period share performance.

In all, 2024 has been a successful year for the fund, despite changing politics and a fluctuating economic outlook. We now look forward with optimism to 2025.

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.



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 UK and European small companies.
Inception date	November 2016
Standard withdrawal period	10 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; font-size: small;"> Lower Risk Higher Risk </div>



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PERFORMANCE

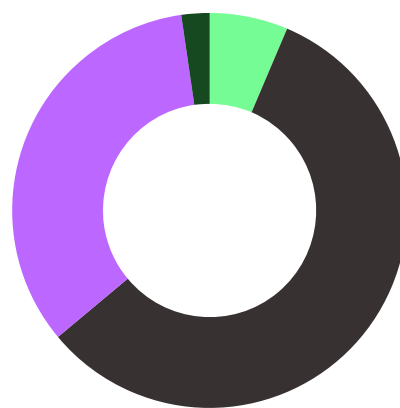
	1 month	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	Annualised since inception
Growth UK & Europe Fund	1.8%	9.9%	-1.5%	8.8%	6.9%	8.4%
MARKET INDEX¹	0.8%	8.0%	-0.4%	5.0%	4.8%	8.4%

Returns after fees but before individual PIR tax applied

1. S&P Europe Small Cap Gross Total Return Index (75% hedged to NZD).

INVESTMENT MIX

Cash (including Derivatives)	6.4%
European Equities	57.5%
UK Equities	33.8%
Listed Property	2.3%



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

TOP FIVE HOLDINGS (EXCLUDING CASH)

Biogaia AB
Boku Inc
Discoverie Group PLC
Frp Advisory Group PLC
Trainline PLC

Holdings are listed in alphabetical order.

UNIT PRICE

\$1.92

ANNUALISED RETURN SINCE INCEPTION

8.4% p.a.

after fees and before tax

FUND STATUS

CLOSED

OPEN



Information is current as at 31 December 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.