

Quarterly Report

For the quarter ended 31 December 2023

PUNAKAIKI FUND LIMITED
Level 6, 2 Kitchener Street, Auckland

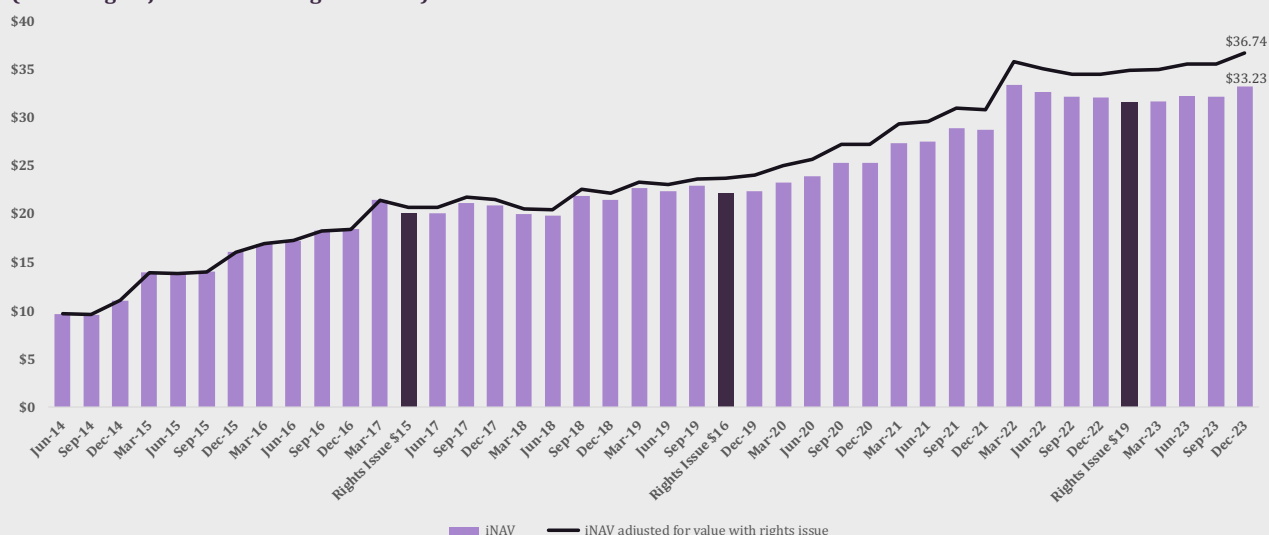
Key Statistics

Total Asset Value	\$101.4 million
Investor Net Asset Value (iNAV)	\$98.5 million
Shares on issue	2,964,352
November 2023 \$30 Options	0
Total Asset Value / share	\$34.20
iNAV/share	\$33.23

Performance

Annualised Share price Return – last 12 Months ¹	3.4%
Annualised Share price Return – Since Inception ²	14.0%
Gross Annualised Internal Investment Returns ³ – All Investments	17.0%
Internal Total Value to Paid-in Capital (TVPI) ³ – All Investments	2.0x

Punakaiki Fund iNAV/Share (Including Adjustments for Rights Issues)



¹ Assumes full participation in option and rights issues, and includes the impact of changes in the performance fee calculation.

² Assumes full participation in option and rights issues.

³ Internal performance measures are exclusive of all fund costs. Includes dividends, exits and revaluations.

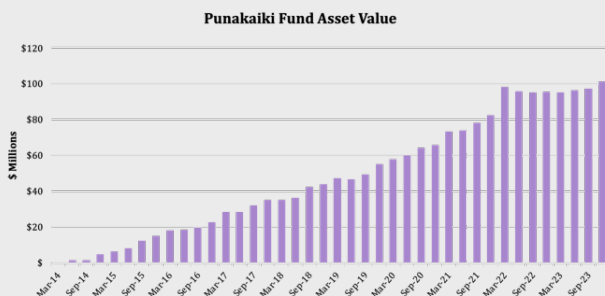
Dear Shareholders,

December Results

We are weeks away from our 10-year anniversary, a significant milestone in the journey formally started at the beginning of April 2014.

So, we are delighted to report that we have met another milestone - exceeding \$100 million in assets.

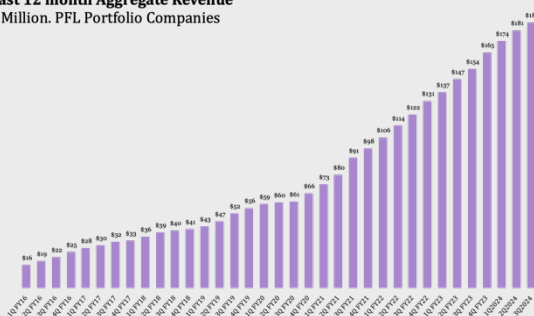
The Board resolved that December 2023's asset value was \$101.4 million, with our asset value per share rising from \$33.63 to \$34.20, and our investor net asset value per share rising from \$32.67 to \$33.23.



During the quarter we raised \$2.09 million, from a combination of existing investors exercising \$586,320 worth of \$30 options (as reported last quarter), and in late December a migrant investor investing \$1,500,000 at \$32 per share. Our thanks to all who invested, and welcome aboard to our newest investor.

While the chart above shows little net valuation movement since March 2022, we remain very happy with the resilience our portfolio has shown in the face of global headwinds. Our top ten companies collectively grew by 42% in that period, with their trailing twelve-month revenue rising from \$119 million in March 2022 to \$168 million in December 2023. This performance should eventually show up in valuations.

Last 12 month Aggregate Revenue
\$ Million. PFL Portfolio Companies



The short-term implications of the flat period, driven by economic headwinds and share-market conditions, is

that we have kept delaying our estimated date for an IPO.

As we approached \$100 million in asset value, we boosted our board membership, then added a CFO and established outreach to the equity capital markets.

But for now, an IPO seems a little far away, and we need to be a lot larger to have a successful float. So, the board has agreed that our focus for this year will be on portfolio performance and raising capital via wholesale offers.

As we reported last quarter, we retained Bell Potter to look at the possibility of selling some or all of our Devoli shares. We were very encouraged with potential responses throughout this process, but ultimately the results were not to our expectations. This process has concluded, and we did not sell any shares.

That means that the shareholders of Devoli are now aligned with our perspectives on Devoli's strategy, and we have an extended investment horizon.

The company, led by CEO Karl Rosnell with CFO Blair Woodbury, has grown very strongly in recent years, and with new clients recurring revenue is forecast to easily exceed \$100 million this year. We look forward to long-term growth in value from the company, underpinned by ongoing growth from highly engaged enterprise clients and over 100,000 residential broadband connections.

Aligned with the slower pace of our Path to IPO, our independent director Tracey Jones has announced her resignation from the Board, which will be effective 31 March 2024. Tracey, who is in demand as a director of several listed financial companies, sees that she will be under-utilised at Punakaiki Fund as the focus returns to portfolio performance, after a lot of work on Path to IPO and the Devoli process. We regret seeing Tracey go. Like all our directors, Tracey has challenged us to improve, and we are stronger for her tenure. We wish her well.

Portfolio Performance

While our overall portfolio revenue has grown, it is distributed unevenly across the companies. As our valuations are heavily dependent on both size and growth rates, this tends to increase the relative holding value of the faster growing companies (which are also larger, due to their growth) in the context of our portfolio. This quarter, for example, we saw our holdings in Couchdrop and Projectworks move towards

and into the top five holdings by value, even though our original investments were made under two years ago. Those two companies remain as the current stars of the portfolio, fuelled by relentless growth, which in turn is fuelled by their rapidly rising number of very happy customers and end-users.

Across the investments, meanwhile, companies have adjusted their businesses to adapt to the new economic realities and performance is improving. For some this meant reducing staff numbers, and sometimes that was by a high percentage. For others it means slowing down the pace of hiring to ensure that the underlying growth is the core source of funding. And several companies have put in place funding rounds to ensure that the runway is indefinite, or near-so. These moves can, especially when it comes to reducing employee numbers, be very difficult for all parties. However, they also allow the businesses to become sustainable, reduce stress for founders and remaining staff, and focus businesses on the core activities that drive value.

New Investment: Astute Access

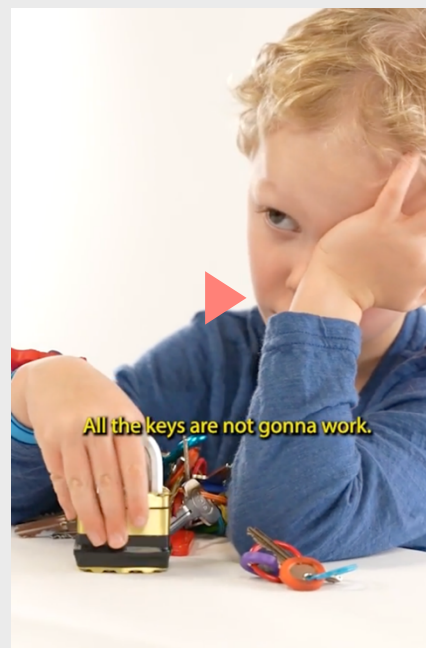
We are delighted to announce our latest investment, in Astute Access.

Founded and lead by seasoned entrepreneur Nick Mooyman along with his partner and co-founder Tania Bastianello, Astute Access brings padlocks into the internet age. The company provides connected locks, bringing access control on remote sites to the cloud.

Astute Access already has locks installed on thousands of sites, like cell phone towers, electrical cabinets, and water facilities, allowing a wide range of staff and contractors to have authenticated access to those sites. The contractors and staff use their phones to verify access authorisation from their client via the cloud, and then the phone application communicates to the lock to unlock and provide access.

Astute Access's system works with a variety of locks, including their own, and with different connection technologies. The company can create new lock types, including for cabinets, and are always innovating on new ways to connect to locks. Astute Access has strong relationships with partners, including TATA, and a foothold in the Australian telecommunications sector with infrastructure provider Indara as an early client. They are fielding enquires from very large clients and partners across the world.

Do watch the delightful video on Astute Access's home page.



Our investment is across two tranches, with the second conditional on our own fund raising. We are very keen to meet that commitment earlier, and also to make investments into one other two other high-performing portfolio companies.

Read more about Astute Access in our article later in this report.

Seeking Investors

With the rise in iNAV/share from \$32.67 to \$33.23, we have increased the price of our [ongoing wholesale offer](#) from \$32.00 per share to \$32.50 per share. This still reflects a discount to the iNAV/share, and a greater one when considering the implied share price based upon offer costs. We are seeking support from wholesale investors based in New Zealand, as well as offshore through the migrant investor program.

Our [migrant investor program](#) is attracting a lot of interest, with prospective investors and advisors liking the ease of a Punakaiki Fund investment, the Path to IPO, and the relatively security associated with an existing portfolio. We provide a once-only investment approach, easy reporting for use in tax returns, and visible compliance with the AIP investor program. Contact Ben Kay ben@2040ventures.com to hear more.

Our wholesale offer is live today, and targeted at all investors who meet the requirements, and we will be stepping up our outreach this year. If you would like to

know more than contact Ben, or get in touch with Chris Humphreys, at chris@2040ventures.com.

Retail Investors

While we are not planning for a retail offer in 2024, it's worth reminding everyone that we do run periodic share trading rounds on the Catalist platform, and that these are open to all existing shareholders as well as new wholesale investors. While we traditionally do not see a lot of trading, the prices are often keen, and it is a chance to increase your own holdings. Our next share trading window will be in early March.

Upgrading our Valuation and Reporting

For many years we have wanted to provide monthly net asset value (NAV) reporting, as most of our listed peers do.

We have now agreed with our Board and auditors to perform our annual valuation of individual portfolio companies throughout the year (e.g. one to three per month), rather than all at once after the March financial year end.

Our annual valuations will use the most up to date information available at the valuation date, rather than waiting sometimes months to receive formal year-end data, and can be adjusted later if inputs materially change. This will allow us to more quickly report formal financial year-end and interim accounting results, as well as deliver monthly NAV reports. The process has been agreed in principle with our auditors, as we all seek to ensure that the monthly NAV values for March and September each year are not materially different from our audited results. We will also have confidence in our ability to provide existing and prospective investors with on-going guidance around the underlying value of the shares.

We are now transitioning to and trialling this new approach, and we will commence reporting our monthly net asset values during the year when we are confident that the systems work.

More Reporting - and Less

The monthly NAV reports will be relatively short, and largely replace the quarterly reports. Our Annual Report will remain, of course, and we also intend to expand our September Interim Reports to be more comprehensive. We welcome your feedback as we do this transition.

Management Agreement

We are nearing the end of the management agreement renegotiation process, which has been a comprehensive process that has included feedback from potential investors as well as market peers. The intent is to finalise and sign the agreement so that it is in place from 1 April 2024. While the agreement is tidied up a lot from the original, 2014, agreement, there are no overall material changes, and so it is able to be approved by the Board.

Read on to learn more about how companies are progressing, our financials and the story of Astute Access.

Quarterly Report Webinar

We will hold our quarterly update reviewing our progress on Monday, 11th March 2024 at 12pm. Join us then and ask us anything you like about Punakaiki Fund.

[Register Now](#)

Upcoming Share Trading Event

Our next share trading window will be from Monday 11th March to Friday 15th March, via Catalist, as always. We will email instructions beforehand, but if you would like to participate then please ensure you are registered, and your account is linked to your Punakaiki Fund shareholding.

Many thanks for your support

Lance

Lance Wiggs
021 526 239



Lance Wiggs, Co-founder & Principal

Portfolio Company Update

Key highlights for the December quarter for the Top 10 portfolio companies

devoli

Devoli is an Internet Service Provider that provides wholesale and corporate telecommunication and software services.

- Devoli launched their mobile services to pilot customers.
- A new wholesale agreement has been signed with New Zealand-based Managed Service Providers (MSP's).
- Devoli celebrated an 8th place in the Deloitte Masters of Growth 2023 awards and 49th in the TIN100 2023 (Technology Investment Network).

News links

[Devoli announces cross-Tasman broadband play](#)
[Punakaiki Fund engages adviser for Devoli sale](#)

Sector:
Telecommunications

Revenue:
>\$20m

Shareholding:
53.9%

First Investment:
June 2014

QUANTIFI PHOTONICS™

Quantifi Photonics develops and manufactures advanced optical photonics test equipment for the global fibre optic communications market.

- In recognition of Quantifi Photonics growth achieved, they were one of ten winners of the Absolute IT Supreme Scale-Ups award in the 2023 TIN Report. (Technology Investment Network)

News links

[Quantifi Photonics opens a European subsidiary and German office](#)
[Quantifi Photonics launches QCA Series High-Speed Communication Analyzer at DesignCon 2024](#)

Sector:
Technology

Revenue:
\$5-20m

Shareholding:
16.4%

First Investment:
November 2017

orah

Orah is a student engagement platform that helps schools and families better understand and support student needs.

- Orah have enjoyed a record quarter for acquisition of new schools, with average lead times reducing through smarter sales activity and better qualification of potential customers.
- They continued with positive customer feedback and new leads from attendance at the TABS conference in Boston, USA (The Association of Boarding Schools).

Sector:
Education

Revenue:
\$1-\$5m

Shareholding:
28.9%

First Investment:
February 2015

CONQA

CONQA provides software allowing the construction industry to do their quality assurance planning and execution online.

- CONQA have released their new 'Lot Management process' within the infrastructure sector. Providing a measure of progress performance and progress.

Sector:
Construction

Revenue:
\$5-20m

Shareholding:
20.5%

First Investment:
February 2017



RedSeed helps large retailers increase their sales through proprietary and customised modules in a SaaS Learning Management System.

- Hamish Kokaua joined the team as a Front-end developer based in Dunedin, giving RedSeed significantly more capacity in their front-end development.
- A 3-year partnership agreement has been signed with ShopCare to provide content, platform and support to retailers, manufacturers, and associated logistics.
- RedSeed have had their IGF \$600k co-funding signed off by NZTE to support their expansion into Australia.

News links

[How a board's experience helps accelerate growth](#)

Sector: **Retail**

Revenue:

\$1-\$5m

Shareholding:

47.8%

First Investment:

March 2015



Whip Around is a digital Driver Vehicle Inspections Reports and Maintenance platform that primarily services customers in the USA.

- The company achieved a milestone placing of 37th on the Deloitte Fast 50, this being the first time that Whip Around has made the index.
- They released a full suite [telematics](#) integration library which facilitates integrating with 19 global telematics providers.

Sector: **Transportation**

Revenue:

\$5-20m

Shareholding:

3.0%

First Investment:

August 2021



projectworks

Projectworks is a whole company optimisation platform that utilises intelligent business management software to improve a company's performance and bottom line.

- Projectworks increased their customer base by 20%.
- Two new customer success specialists were hired to support their growing customer base and onboarding new customers.
- New features were released including budget level resourcing, default margins and a people cost report with enhancements to timesheet reporting.

Sector: **Professional Services**

Revenue:

\$1-\$5m

Shareholding:

12.8%

First Investment:

March 2022

ONCE · IT

Onceit is an online daily deal site selling mid to high-end fashion, beauty, and homewares, predominantly in New Zealand.

- Onceit has had a major focus over the last quarter to implement new systems and reconfigurations at their Distribution Centre which has increased efficiencies.
- A new contract was signed with a new bulk transport supplier and a packaging supplier, both of which will result in cost savings.

Sector: **eCommerce**

Revenue:

>\$20m

Shareholding:

25.6%

First Investment:

February 2015



COUCHDROP

Couchdrop changes the way Secure File Transfer Protocols works on the cloud, allowing clients to move files automatically, securely, and efficiently between platforms.

- Couchdrop attended the IT Nation MSP conference in Orlando, USA during the quarter. They introduced their Movebot robot 'Moby' to the 7k+ attendees.
- Couchdrop released an email migration tool

Sector: **Technology**

Revenue:

\$1-\$5m

Shareholding:

21.8%

First Investment:

March 2022

MOBI

MOBI is a digital ordering and engagement platform for the hospitality sector.

- The company rolled-out Anonymous Checkout, allowing guests to purchase food without creating an account.
- Their roll-out is in progress for Google and Apple Single sign-on, which will dramatically speed up account creation and reduce user drop-out.

Sector: **Hospitality**

Revenue:

\$5-\$20m

Shareholding:

17.7%

First Investment:

October 2015

Company Profile: Unlocking the value: the Astute Access story

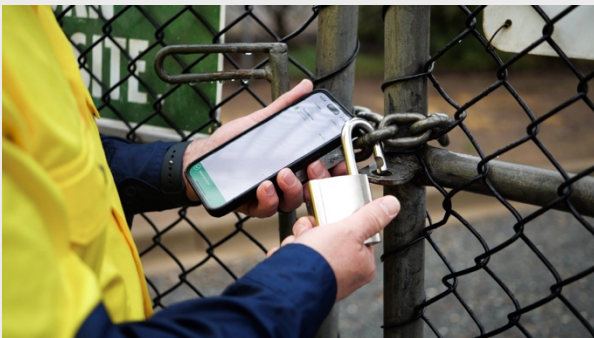
Nick Mooyman, founder of Astute Access shares the backstory and vision of Punakaiki Fund's latest investment. As told to Vincent Heeringa.

Ever locked the keys inside your car? Or stood at the office door and wondered: what's the security code again?

Frustrating, right? Now imagine that on an industrial scale. Thousands of office workers calling security every year. Hundreds of telco technicians on remote hilltops trying to open locked cabinets. Or farm workers standing at padlocked gates.

It doesn't take much to grasp just how big a problem keys and locks are - and the opportunity that Astute Access has to fix it. Astute Access is pioneering mobile phone-enabled cloud-based software that supports a network of Bluetooth smart locks.

Goodbye lost keys. Hello Astute Access.



"We're solving an issue that's been around for centuries," says CEO and founder Nick Mooyman. "There's a real opportunity to disrupt the entire locking market and completely eliminate the need for physical keys, swipe/key-cards, fobs, pin codes, and move to a fully keyless solution based on mobile application using cloud software."

The numbers, when you think about it, take your breath away. An Australasian utility, such as a telco or energy company, might have as many as 40,000 locks that could switch from 'dumb' to 'smart'. Digitising these mechanical locks represents a huge leap in operational efficiency. Astute Access has contracts with Wellington Water, Napier Council (water), Wellington City Council (parks), Indara (4,400 cell towers in

Australia), Queensland Government, Timberlands, and many others seeking to automate their locks. And then there's every house, garage, car, boat and shed in the world.

"It's a multi-billion market, and we're at the cutting edge of it."

Bluetooth Revolution

If you've spent a frustrating time trying to get your Bluetooth speaker to connect to your phone so you can hear that Taylor Swift banger, you might wonder why Astute Access is so confident it can roll out a secure service on such a large scale.

Bluetooth has changed since we first used it.

"The old Bluetooth was pretty unstable. But in 2009 when Bluetooth 4.0 came out - what they call Bluetooth Low Energy or BLE - it opened up a whole raft of opportunities in the tech sector. I could see what was happening and I thought there's an opportunity here."

Mooyman was well placed. He co-founded iDefigo, a smart-camera business that was growing fast and attracting outside investors. It's now based in London and powers the cameras in IoT devices around the world. The experience provided Mooyman with insight into the utility sector - including major issues with access to sites (due to woeful management of physical keys). With his roots in product development and fresh thinking, Mooyman created a prototype for NZ Post in 2014 - it's still used today. Lock manufacturers saw the same opportunity and started releasing Bluetooth-enabled locks - but not addressing the bigger challenge of software, leaving the field open for Mooyman and his cofounder and wife Tania Bastianello. An early win was partnering with Noke, a Utah-based hardware lock manufacturer, which saw the Noke locks being integrated into Astute's smart lock software platform; LockVue®. Others followed.

"I went to all the different tech shows around the world to identify a bunch of companies building Bluetooth-

enabled locking technology. We formed distribution partnerships and secured licensing agreements to enable integration of these locks into the LockVue® software. We then had to become very proficient at selling a full solution, which saw us bundling the hardware and software subscription. That really helped grow our brand and put us on the map.”

In the early stage of the business, things were running on the smell of an oily rag. However, the increasing ubiquity of smartphones and the improvements in the ‘Bluetooth stack’ meant that by 2016 the time for smart locks had arrived. It was time for Astute to make a splash in the B2B and enterprise market.



In 2018 Astute Access scored its first big customer, a manager of vacation rental properties with \$2 billion of assets on its books. And then Covid hit and vacations were off the agenda.

“It meant that overnight everything changed so we pivoted our focus to the utility space, which we were already working with but we doubled down on that given it’s so pandemic and recession proof”

Astute Access won big with Wellington Water, which has five councils in its network, and has rapidly added trans-Tasman clients, including Club Assist, Rio Tinto, QGC (Shell Subsidiary), Queensland Rail, Queensland Government, Indara, TATA, and John Holland.

SaaS and Some

Astute Access has two core offerings: enterprise smart lock software and smart lock hardware (proprietary and third-party)

The main software-as-a-service (SaaS) product is LockVue®, an app which opens and closes the locks and provides a high level of control for data tracking and administrator-based permissions. The app does have offline functionality (though it needs to be online to receive updates). LockVue® is compatible with a large number of third-party smart locks.

A second, emerging opportunity is manufacturing the locks themselves. Mooyman says that after a decade of working closely with some of the world’s best lock manufacturers, Astute Access has developed deep expertise about how such locks could (and should) work.

“There’s a significant prize to get it right...We’ve already built our own solution, which controls every auto gate, every door, any electric motor, electric strike, and any electric lock of any type through our Bluetooth control system. That’s been in the market for a while and has been very successful. Now we’re miniaturising that technology and building it into other mechanical locks, converting them into a Bluetooth-enabled locks that seamlessly integrate into our software platform.” Current revenue streams includes both the LockVue® platform (SaaS) and smart lock hardware sales (Astute Access’s own smart locks & third-party). Astute is also developing additional revenue streams including OEM, licensing partners, and pursuing contracts in several verticals.



Fundraising

Until 2023, Mooyman and Bastianello bootstrapped the business, using his own capital and sales revenues to keep the cash flowing. But when Astute Access was a finalist in the 2023 Hi-Tech Awards, Mooyman started talking to Lance and Nadine from Punakaiki Fund - sponsor of the Start Up of the Year category.

“I realised there was a pretty good fit for our business. They really seemed to gel with us - they got it right from the start. We’re quite a special company

with a huge growth curve ahead and there's no one else playing in this space that comes anywhere close to matching our capability."

Mooyman also liked the fact that Punakaiki Fund is an evergreen fund. "There's a lot of emphasis in VC on exits, especially if there's a finite number of years for the fund. Punakaiki Fund has a much longer-term view, which suits us because some of our sales cycles are quite long. Being forced to make a trade sale at the wrong time is far from optimal."

The investment round just completed raised capital from two investors, with Punakaiki Fund's investment staged over two tranches, one of which has been paid. Punakaiki Fund also holds options to invest again.

The money will be used to fund growth, says Mooyman. "We're through the start-up phase. This is all about funding sales and growth, including personnel - with some directed to product development."

Reflections

With Astute Access his second rodeo, Mooyman is thoughtful about what it takes to grow a successful company.

He says that early on the company spread itself too thin - too many things for too few people. Narrowing the focus helped improve both product development and sales.

"We aim to become the chosen smart lock platform and the platform players is where the real growth is."

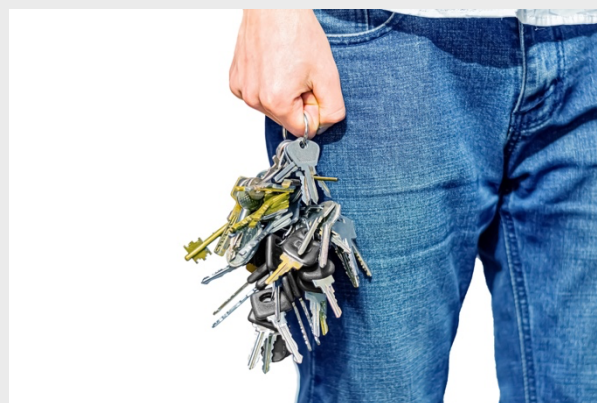
And speaking of which: "I think probably the biggest lesson - and people don't talk about this enough - is that nothing is more important than sales. Team culture's important and product is very important but it's absolutely vital that the sales machine cranks up early and proves that there's a strong product-market fit. It's the lifeblood of the business. The market will decide whether or not they want to buy your goods and services."

Mooyman is critical of start-ups that rely on fundraising to survive cash flow problems. He wonders if there's too much emphasis on fundraising when the energy should go into a sales machine.

Xero of Locks

The future looks, ahem, locked for Astute Access with a strong customer base, good products and a market hungry for its solutions.

"The big picture here is that we want to be effectively the Xero of the smart lock world. Our vision is that you can bring any smart lock device from anywhere in the world, from any manufacturer, onto our platform and know that it will be secure, scalable and can be seamlessly opened from any smartphone."



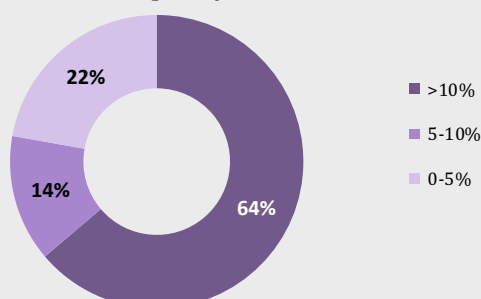
"And we've proven that it works. Global manufacturers are quite keen to white-label and licence our software. We're pushing the boundaries of what's possible and now the market is coming to us."

Portfolio Valuation Splits

(as at 31 December 2023)

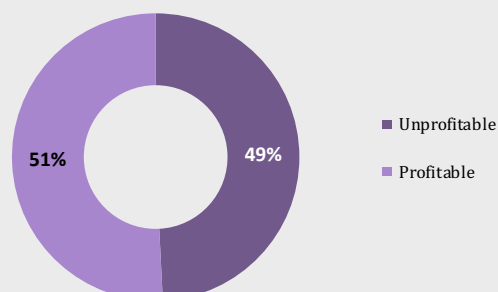
The diagrams below show various splits of the valuation of our portfolio companies.

Valuation Split By Concentration



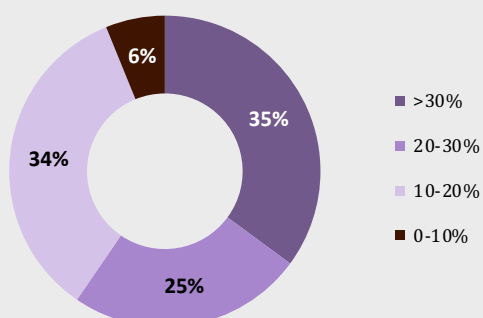
Our four largest investments represent 64% of the total value of Punakaiki Fund's portfolio.

Valuation Split By Profitability



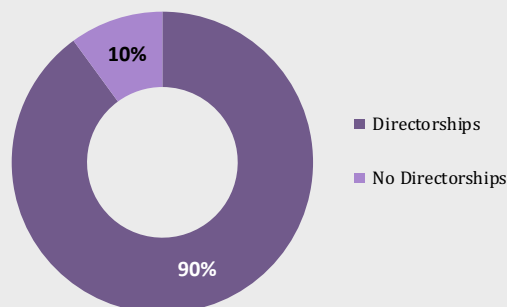
There is a good mix of profitable and unprofitable (investing for growth) companies. We mark down companies that are less sustainable and are comfortable with the portfolio balance.

Valuation Split By Ownership %



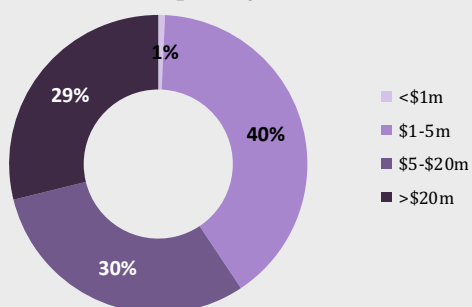
We like holding large shareholdings in companies, and only 6% of our portfolio value is where our shareholding is under 10%. At those levels we generally have very little influence over companies.

Valuation Split By Directorship



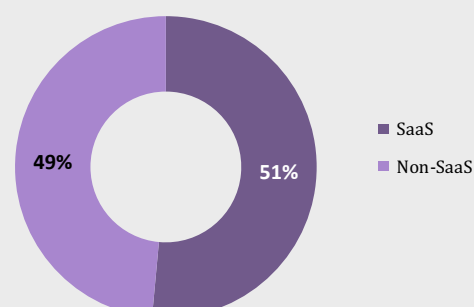
Directorships reflect that we can contribute where we have larger shareholdings, and thus have more visibility of and influence on company performance.

Valuation Split By Revenues



Only 1% of our portfolio value is attributable to companies with under \$1 million in revenue, and 59% is attributable to companies with over \$5m in revenue.

Valuation Split By Business Model

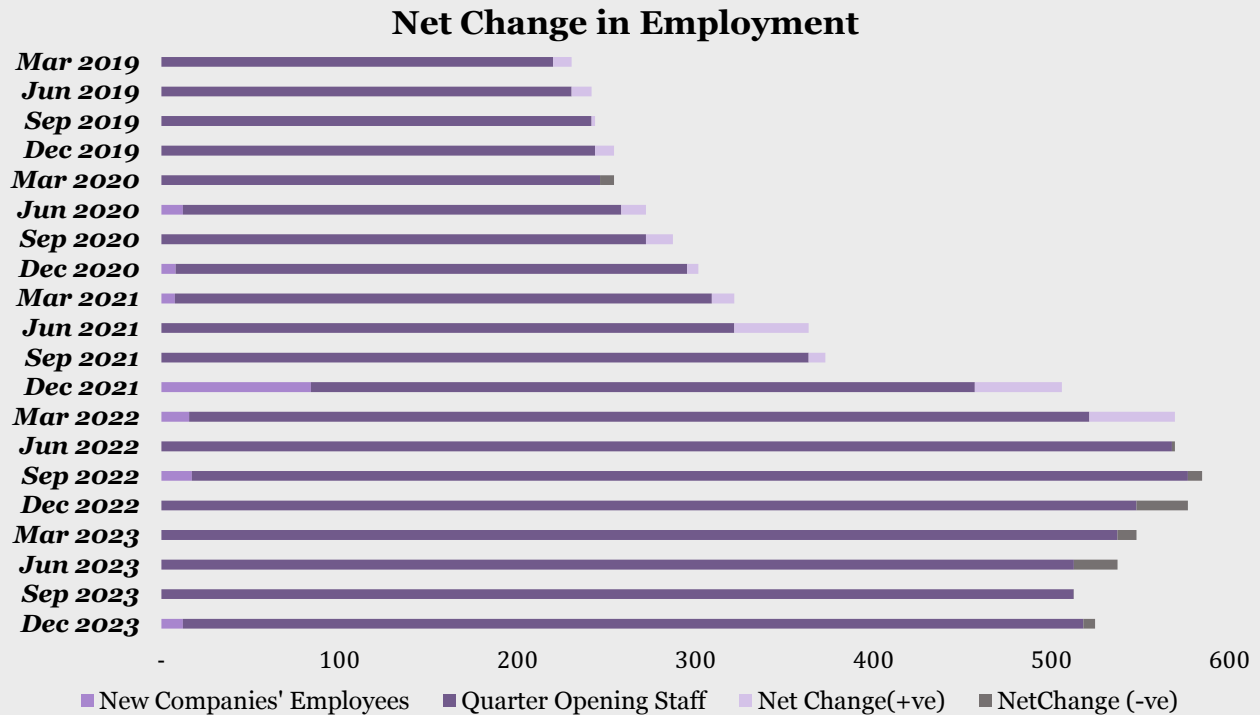


We have a deliberate strategy of diversifying across business models (and industries), and that provides resilience to external sector and market shocks.

Employment Monitor

(December 2023 Quarter)

Here is a snapshot of all our portfolio companies' employment situation at the end of December 2023:



Our employment monitor shows a total of 506 jobs at the end of December 2023 quarter, despite a gain in employees from a new portfolio company (Astute Access) we see a net negative change of 7 jobs since last quarter, with companies still reducing in staff numbers.



Hiring intentions since last quarter have increased from 10 to 15 roles across all portfolio companies at the end of December 2023 quarter.

**Employment figures are not included for companies that are sold or inactive (non-core portfolio companies).*

Corporate Update

Governance

The Board convened on 15 February 2024 for the quarterly Board meeting to consider, among other matters:

- A review of Punakaiki Fund's investment portfolio;
- The December 2023 quarter-end portfolio valuation;
- Five annual valuations as at December 2023, as part of the transition to monthly NAV reporting;
- On-going work on the long-term strategy and renegotiation of the Management Agreement;
- A revised valuation approach to allow monthly shareholder reporting;
- The CY2024 Objectives and Key Results; and
- The outcome of the Devoli process.

The Board's next meeting is planned to be held on 10 May 2024.

Financial Reporting

The Investor Net Asset Value ("iNAV") of the fund after all accrued performance fees at 30 December 2023 were accounted for was \$98,490,868 (or \$33.23 per share), compared to an iNAV of \$94,676,141 (or \$32.67 per share) as at 30 September 2023, an increase of \$3,814,798 (or \$0.56 per share).

The Accounting Net Asset Value (which includes only the cash component of the performance fee and is used to calculate the management fee) was \$100,345,279 at the end of the quarter, compared to \$96,499,363 at the end of the September quarter.

Punakaiki Fund's unaudited financial summary metrics are set out in the tables below. Financial highlights from the quarter include (all including GST where applicable):

- An opening cash balance on 1 October 2023 of \$2,045,423;
- \$2,086,320 was raised from the exercise of November 2023 \$30 Options and a new wholesale investor.
- \$700,200 was invested into Astute Access and Core Schedule;
- \$485,991 was received in proceeds from the exit of Moxion and a partial loan repayment from EverEdge;
- Net revaluation gains of \$2,525,791 were recorded;
- Management fees of \$441,510 and Administration fees of \$160,281 were paid to 2040 Ventures;
- \$112,332 was paid for Insurance;
- \$43,729 of reimbursements relating to additional FY2023 year-end accounting work and out-of-pocket costs were paid to 2040 Ventures;
- Brokerage of \$18,418 was paid to 2040 Ventures in relation to the exercise of the November 2023 \$30 Options;
- Directors' Fees of \$54,375 were paid;
- GST refunds of \$36,599 and Interest of \$11,061 were received; and
- A closing cash balance of \$3,126,436 as at 31 December 2023.

Punakaiki Fund Limited - Unaudited Financial Position**as at 31 December 2023****NZ\$****Current Assets**

Cash on Deposit	3,126,436
Accounts Receivable	24,792
Prepayments	85,757

Non-current Assets

Investments	98,130,000
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Total Assets **101,366,986****Current Liabilities**

Accounts Payable	62,392
Accrued Performance Fee	959,315

Equity

Retained Earnings - Operations	(11,241,036)
Retained Earnings - Accrued Performance Fee	(2,813,726.325)
Share-based Payment Reserve	1,854,411
Asset Revaluation	59,799,380
Share Capital	54,245,437
Capital Raising Costs	(1,499,187)

Total Equity and Liabilities **101,366,986**

Accounting NAV	100,345,279
iNAV (after deduction of the performance f	98,490,867.9
iNAV per Share	33.23
ANAV per Share	33.85
Total Assets per Share	34.20

Punakaiki Fund Limited - Cash Flow Summary**for the Quarter Ending 31 December 2023****NZ\$****Operating Cash Flows**

Gross Interest Received	11,061
Bank Fees	(27)
Payments to External Advisors	(6,261)
Management Fees	(441,510)
Administration Fee	(160,281)
Other Net Expenses	(212,260)
GST Refunds	36,599
Total Operating Cash Flows	(772,680)

Investing Cash Flows

Investments Made	(700,200)
Investments Realised & Dividends Received	485,991
Dividends Received from Investments	-
Total Investing Cash Flows	(214,209)

Financing Cash Flows

New Capital Received	2,086,320
Brokerage Fees	(18,418)
Dividends Paid	-
Total Financing Cash Flows	2,067,902

Total Cash Movements

Total Cash Movements	1,081,014
Opening Cash Balance	2,045,423
Closing Cash Balance	3,126,436

Cash Flows for the December 2023 Quarter

Since the December 2023 quarter-end, material cash flows for Punakaiki Fund include an interim quarterly management fee payment of \$435,454 (including GST) for the March 2024 quarter being made to 2040 Ventures. The administration fee for the March 2024 quarter (totalling \$167,441 including GST) and a brokerage payment of \$45,000 in relation to the wholesale capital raise investment completed in December 2023 has also been paid to 2040 Ventures. Payment to Deloitte for the preparation of Interim Accounts of \$11,500 (including GST) has been made, and a GST refund of \$22,881 has been received.

Capital Raising Plans

Punakaiki Fund continued its wholesale offer which is designed to attract investment from Active Investment Plus Visa applicants.

The offer is priced at \$32.50 per share, with the minimum investment lowered from \$500,000 to \$50,000 in December 2023 to accommodate New Zealand wholesale investors.

The offer will remain open until such time as it is either withdrawn by the Punakaiki Fund Board, or there is a material change in Punakaiki Fund's iNAV per share.

Additional Disclosures / Conflicts

Except the conflicts which have been previously disclosed, the directors of Punakaiki Fund or the managers of 2040 Ventures do not have any other additional disclosures or conflicts of interest to declare.

Contact

If you require any further information regarding Punakaiki Fund, please contact Lance or Chris at 2040 Ventures in the first instance:

Lance Wiggs

2040 Ventures Limited
lance@2040ventures.com
+64 21 526 239

Chris Humphreys

2040 Ventures Limited
chris@2040ventures.com
+64 27 622 7803

For Governance queries, please contact:

Mike Bennetts

chair@punakaikifund.co.nz

