

Punakaiki  
Fund

# Quarterly Report

For the quarter ended 30 September 2023

PUNAKAIKI FUND LIMITED  
Level 6, 2 Kitchener Street, Auckland

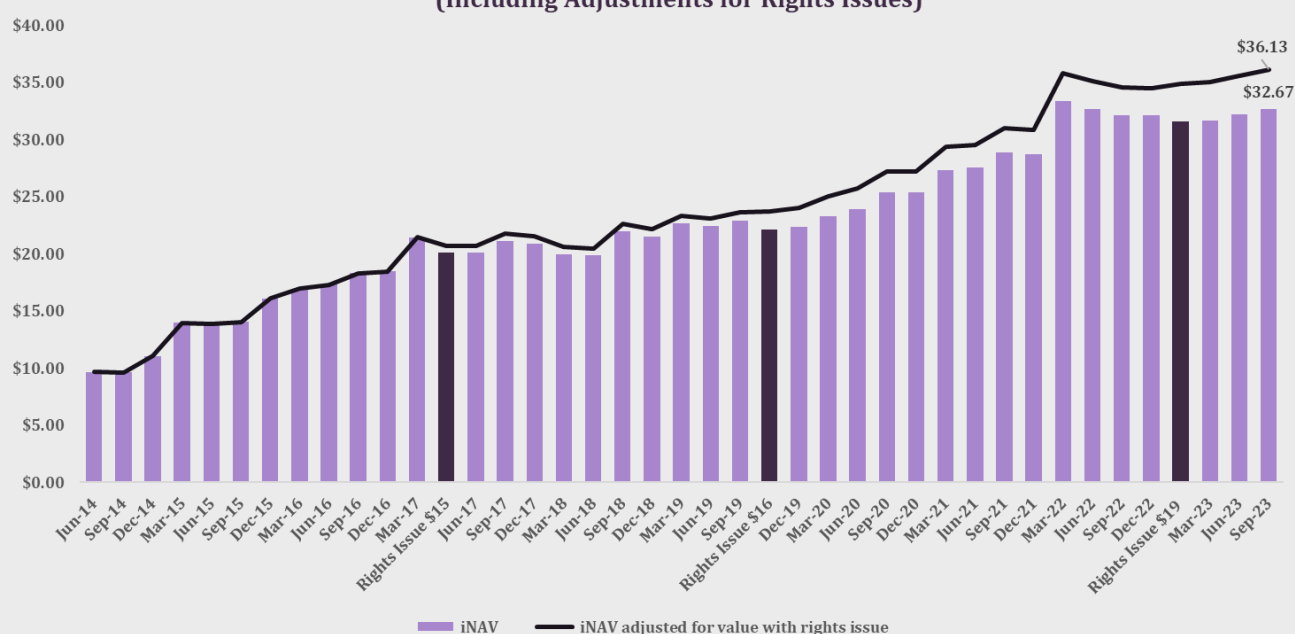
## Key Statistics

Total Asset Value	\$97.5 million
Investor Net Asset Value (iNAV)	\$94.7 million
Shares on issue	2,897,933
November 2023 \$30 Options (unexercised)	50,698
<b>Total Asset Value / share</b>	<b>\$33.63</b>
<b>iNAV/share</b>	<b>\$32.67</b>

## Performance

Annualised Share price Return – last 12 Months <sup>1</sup>	5.5%
Annualised Share price Return – Since Inception <sup>2</sup>	14.3%
Gross Annualised Internal Investment Returns <sup>3</sup> – All Investments	17.3%
Internal Total Value to Paid-in Capital (TVPI) <sup>2</sup> – All Investments	2.0x

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



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

<sup>2</sup> Assumes full participation in option and rights issues.

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

# Dear Shareholders,

## September Results

Our assets increased slightly in value this quarter, rising to \$97.5 from \$96.9 million as at 30 September 2023. We marked up one company, due to strong performance, and marked down another, given lower than desired recent performance. We are keeping a close eye on the process that we are running for Devoli.

It was good to see so many people in person and online at our Annual Shareholders' Meeting. For those that missed it, we have posted the video and presentation on the website. We spent a good amount of time with the investors who attended and valued the feedback we received.

## November \$30 Options

We are happy to report that we received \$613,920 from investors exercising their \$30 Options that expired on 30 November 2023. The options were issued as part of a wholesale offer from late 2022.

## Funding

We recently published an information memorandum, primarily targeting Active Investor Plus Visa (AIP) migrant investors and larger domestic investors. While the minimum investment was \$500,000, we intend to lower this to \$50,000 to better target local investors.

The investment is priced at \$32.00 per share. Please get in touch or use the Catalist platform to invest. If you know any non-residents who would like to explore the AIP program, please ask them to contact us, and we can refer them to immigration advisors, banks and, if required, wealth advisors. We intend to keep the offer open when we are not conducting share trading, running other investment rounds or in possession of material, undisclosed, information.

## Devoli Process

During the quarter we confirmed to shareholders the reports that Bell Potter had been retained to look at the possibility of selling some, or all of, our shares in Devoli. This process is expected to take some months, and there are a range of possible outcomes. We will assess any offers on their merits, balancing accepting any offers against the benefit of having such a strong asset underpinning the portfolio.

The company has substantial annualised revenue and high growth. It recorded 49<sup>th</sup> place in the TIN100, which tracks New Zealand's largest technology companies. It also reached 8<sup>th</sup> place in the Deloitte Fast50 Masters of Growth. Each of these is an excellent achievement, but the combination is highly unusual.

During the quarter we and other shareholders made an investment into Devoli, to help the company make capital investments to maintain its growth.

If any deal does happen it would not be until next calendar year. At over 20% of the portfolio, changes in Devoli's value can create relatively large changes in our asset value. We will incorporate the latest information into our 31 December 2023 quarterly valuation, generally using a probability-based valuation approach.

## Rationale for Devoli Process

We have had several investors ask for the reasoning behind retaining Bell Potter to run a process for our Devoli shares.

Our approach, which we emphasise in our series of Product Disclosure Statements and our Statement of Investment Policies and Objectives (SIPO) is to be long-term buy and hold investors. We generally see that investors get greater returns by holding on to shares in growing companies. Devoli's holding is in excess of SIPO limits of 20% of the fund's value, so we require board approval before any further investment into the company, and we received that for the latest investment. One option for the next phase of its journey would require additional funding to fuel inorganic growth, and we may not be the most appropriate investor for that.

## Use of Devoli Proceeds

We have also had investors ask about how we might use any proceeds from a sale of Devoli shares.

We do not want to put too much effort into this question until we have something tangible on the table, as we have learned early in our existence not to spend money that we do not have.

We have a range of options to contemplate, with the amount of any offer being a key factor. I see we would have possibilities including:



- **An increasingly prudent approach to provisioning for the operating costs of Punakaiki Fund;**
- **Recycling proceeds to invest further into some of our larger and stronger growing companies, and to make new investments.** This worked very successfully for the funds we received from the sale of Vend, Timely and Moxion. We may hold capital for longer than we have done in the past to support a higher threshold for investments; and
- **Making a capital return.** There are several approaches to return capital to investors, including a share buyback program, or simply by standing in the share trading rounds as a buyer. An unimputed dividend payment is unlikely, due to its tax inefficiency in the hands of shareholders.

We have heard differing perspectives about the use of potential proceeds. Returning some capital will benefit shareholders who have been very patient, and will prove the return case to future investors. Retaining capital may allow us more easily to become large enough to successfully undertake an IPO.

As mentioned above, it is far too soon to seriously contemplate the mix of these options, but they are also relatively easy to choose between if, and when, we need to.

## Overall Portfolio Performance

### Last 12 Month Aggregate Revenue \$ Million. PFL Portfolio Companies



Internationally, especially in Silicon Valley, there is a shift in thinking to focus on cash flow sustainability of companies rather than over-funded hyper-growth. It's nice for the world to catch up with Punakaiki Fund's investment philosophy, which we see has resulted in much lower failure rates, larger but more slowly delivered gains in valuation, and more credibility in the valuation of our investments.

We see that New Zealand companies are far more likely to be sustainable in the first place as the absence of a feeding frenzy of venture capital investors at every stage means that companies need to plan for no future raises.

As the tide went out with capital markets over the last two years it became clearer that most of PFL's companies were in unusually good positions, as were many other local companies.

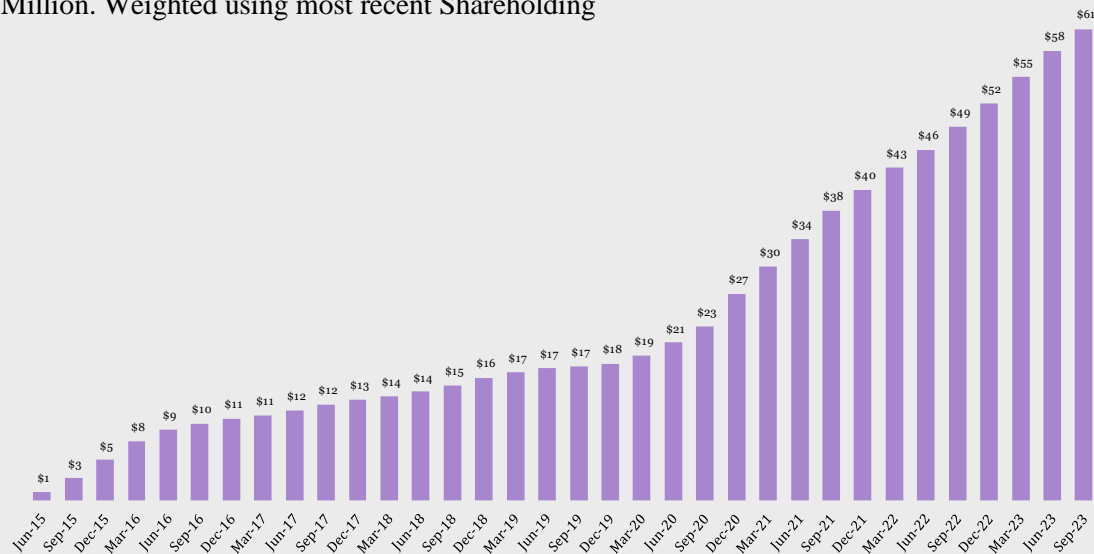
Those companies delivered last twelve-month revenue of \$177 million, with the top 10 companies representing \$163 million of that.

The growth rate, weighted by valuation, was 31%, down from over 40% last quarter. That quarterly fall was primarily driven by the lumpy timing of revenue from two companies, albeit with flat performance from one of them.

All of PFL's top ten companies are able to operate within themselves, either continuing to operate without

## Total Equity Weighted Last 12 Month Revenue

\$ Million. Weighted using most recent Shareholding



fund-raising, with a path to cash flow breakeven, with no or relatively small amounts of funding required. We would like to invest more in some of the top performing companies and will seek to do so when we have the funds.

Our equity-weighted revenue rose over \$60 million for the first time to \$61 million, up from \$49 million a year ago.

### How we make Money

We recently ran some analysis on our past investments – seeking to understand more what differentiated the top performers from the rest. To our surprise the biggest determinant was our conviction about how great the company was. The investment price didn't matter, the market timing didn't matter, and the business model didn't matter. Now we might be guilty of using rose-tinted backwards-looking glasses, but this does give us more confidence in our ability to invest well, as well as resilience in ensuring we only invest in the best.

### Supie, Melon Health and Other Failures

We saw a lot of press about the failure of Supie, an online-only supermarket start-up. The company was operating in a difficult space that had a long, capital intensive path to profitability. The disappointing news was that, initially at least, that over 100 waged staff were going to be out of pocket for work already done. This appears to have been largely rectified after an anonymous donation. In our own dealings with companies that are shrinking, or on the way out, we have been gratified to see that staff were taken care of, especially those who earn less.

A recent example was Melon Health. Siobhan Bulfin and her board were particularly concerned about looking after staff and clients as the company failed, and worked hard, and successfully, at crafting a way forward that paid nothing to the founder or investors, but ensured staff and clients were unaffected.

We are constantly reminded that the decisions made, and experiences gained by founders and directors of early-stage companies are varied, intense and impactful. These can be applied elsewhere, as founders, but also as directors, including for larger businesses.

It works the other way around too. Sometimes founders see that they are running out of energy for the company. In these cases, it helps to have co-founders and senior executives who take on major responsibilities within the business. As long-term investors, we realise that founders are on their own journey, and we seek to help them understand their own options, especially when it comes to balancing their work commitments, personal impacts and investment returns. For inspiration look to Rod Drury, who was fully committed as founder and CEO of Xero for many years, before elevating to be a director only, and recently stepping down from the Board after a 17-year journey.

We see that as businesses grow founders can, if it is right for them, slowly gravitate out of the day-to-day business, and move to governance roles, allowing the business to continue to grow without bearing the daily burden of leadership. As a fund, PFL may be able to help these founders transition, through acquiring some of their shares, as we did with Davey and Barry, the founders of Devoli, and other founders.

## Management Agreement

The management agreement negotiation is moving again, with the Board commissioning work to understand the perspectives of potential cornerstone investors and retaining legal advisors to represent Punakaiki Fund. We are also looking at management agreements and terms from peer listed funds. This is making for a more informed process, and while we would still like to complete things by the rollover date in March 2024, we are also able to roll the current contract over if we need more time. 2040 Ventures and Punakaiki Fund are committed to upgrading the contract to be fit for purpose for this next phase of our existence.

## November Board Meeting

At our November Board meeting we conducted the annual Board review, continued with long term strategy work, and heard from a peer listed fund. We agreed to establish an Audit and Risk Committee, consisting of the entire board and to be chaired by Tracey Jones. We also agreed on an approach for the next steps of the management agreement negotiations.

## Team Updates

In November we welcome our newest team member, Cormac McCullough. Cormac is a mechanical engineer having had time as an engineer and project manager for companies like RocketLab and Seachange, and brings three years of experience in growth capital from Snowball Effect. Cormac is a Senior Investment Analyst based in our Auckland office.

## Quarterly Report Webinar

We will hold our quarterly update reviewing our progress on Monday, 11 December 2023 at 12pm. Join us then and ask us anything you like about Punakaiki Fund.

[Register Now](#)

## Upcoming Share Trading Event

As mentioned above, we are waiting to learn more about the progress of the Devoli process before scheduling our next share trading event, to ensure all material information is available to shareholders. We intend for share trading to occur in December with confirmation and details to follow.

Lance

**Lance Wiggs**  
021 526 239



*Lance Wiggs, Co-founder & Principal*

# Portfolio Company Update

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

## devoli

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

- Completed its first significant capital raise – a \$2m convertible note issuance to existing shareholders.
- Devoli's core network is being upgraded to 400G. The first new equipment was installed and started carrying traffic in September 2023.
- Many current and new customers have expressed interest in being pilot and launch partners for Devoli's upcoming mobile services.
- Key customer Contact Energy placed highly for customer satisfaction in the Commerce Commission Broadband monitoring rankings.

### News links

[New ComCom rankings reveal telcos with best customer service](#)  
[Devoli pioneers single-platform telco services for Australia & New Zealand](#)

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.*

- Launched innovative new Sampling Oscilloscope Platform for Transceiver & SiP Test Applications at the European Conference on Optical Communication (ECOC) - Europe's largest exhibition in the industry, with high levels of interest and positive feedback from attendees.
- Released VISIQ™, the first coherent optical signal analysis software that is compatible with high-speed oscilloscopes manufacturers in September.

### News links

[Quantifi Photonics' oscilloscope platform focuses on high-volume testing](#)  
[Quantifi Photonics opens a European subsidiary and German office](#)

Sector:  
Technology

Revenue:  
**\$5-20m**

Shareholding:  
**17.0%**

First Investment:  
November 2017

## orah

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

- Orah is seeing success with the strategy of attracting new users to landing/early-stage entry products.
- Orah's demand generation campaigns are generating strong signs of sustainable interest.
- The Customer Success team, which is focused on retaining customer relationships and future renewals, are displaying promising results in the upcoming planning cycle for schools in the Southern region.

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 produced a new digital quality assurance product in collaboration with the National Precast Concrete Association Australia. They shared the program at the National Conference in NSW on 30 October.
- The team are piloting new solutions, including:
  - *Lot Management* - accurate tracking on infrastructure projects.
  - *Variations* - helps contractors better track additional work and costs outside of the original project scope.

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.*

- Hired a new Business Development Manager in Melbourne, Australia. The goal is to have a team hub that creates its own culture.
- Recruited a new Front-end Developer to help make tech development more efficient.
- Farmlands recently signed as clients using RedSeed's existing 20-course library and other services to be developed in the future.

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.*

- Successfully signed their largest new customer.
- Poohan Nathan, Chief Operating Officer, was appointed to the Board of Directors.

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.*

- Achieved a milestone with \$4.5m Annual Recurring Revenue (ARR).
- Exhibited at Xerocon in Sydney, a two-day cloud accounting and bookkeeping conference.
- Launched a joint marketing campaign with Intuit.

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.*

- Spent the September quarter focussing on business improvements and efficiencies.
- Seeing the traditional strong Christmas season return.

Sector: **eCommerce**

Revenue:

**>\$20m**

Shareholding:

**25.6%**

First Investment:  
**February 2015**



**COUCHDROP**

*Couchdrop changes the way SFTP works on the cloud, allowing clients to move files automatically, securely, and efficiently between platforms.*

- Released support for Email, Contacts and Calendars in Movebot.

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.*

- Rolled-out Storefront V4 for both Web and Application use. Their biggest product launch in over a decade. This launch is expected to improve overall performance and user experience.

Sector: **Hospitality**

Revenue:

**\$5-\$20m**

Shareholding:

**17.7%**

First Investment:  
**October 2015**



# Company Profile: Shift gear - Core Schedule Takes on ANZ Health's Ancient Rostering Systems

The ups, downs, and ups again of Core Schedule - the cloud-based staff rostering tool taking over healthcare HRs Downunder...

Thank goodness for modern medicine.

Leeches and chloroform? No thanks. This is the 21st Century, and when one seeks medical attention, one can expect some of the very best tools, talent, and technology the modern world has to offer, thank you very much.

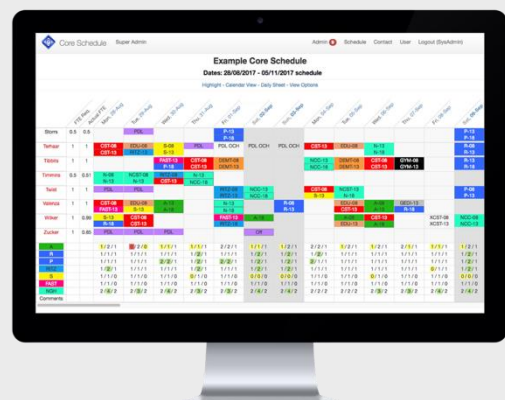
Yup, the average hospital boasts enough front-of-house fancy tech to blow anyone's mind. If you're checking out the back-office systems, however, prepare to be underwhelmed.

As far as modern business practices go, the legacy tech found in otherwise modern medical institutions is all too often downright primitive, including (and perhaps especially) the notoriously improvised rostering practices that exist in many emergency departments today. Just ask Dr. Stephen Pool, emergency medicine specialist and the brain behind the cloud-based staff rostering tool Core Schedule. Stephen spent years navigating the excitement and chaos of New York's emergency departments and has experienced the madness that goes with out-of-control roster systems first-hand.

"A lot of rostering processes are very poorly managed, even in the most prestigious hospitals," says Stephen. "Every department runs its own rosters, nothing is shared, there's no central oversight, and it's impossible to figure out what's going on. It's chaotic."

It's also dangerous as hell.

*"You might get a doctor who has worked seven nights in a row, and no one realises. They come back the next morning and they're still working, but they're exhausted, they're frustrated and they're not making sane decisions. That impacts patient care."*



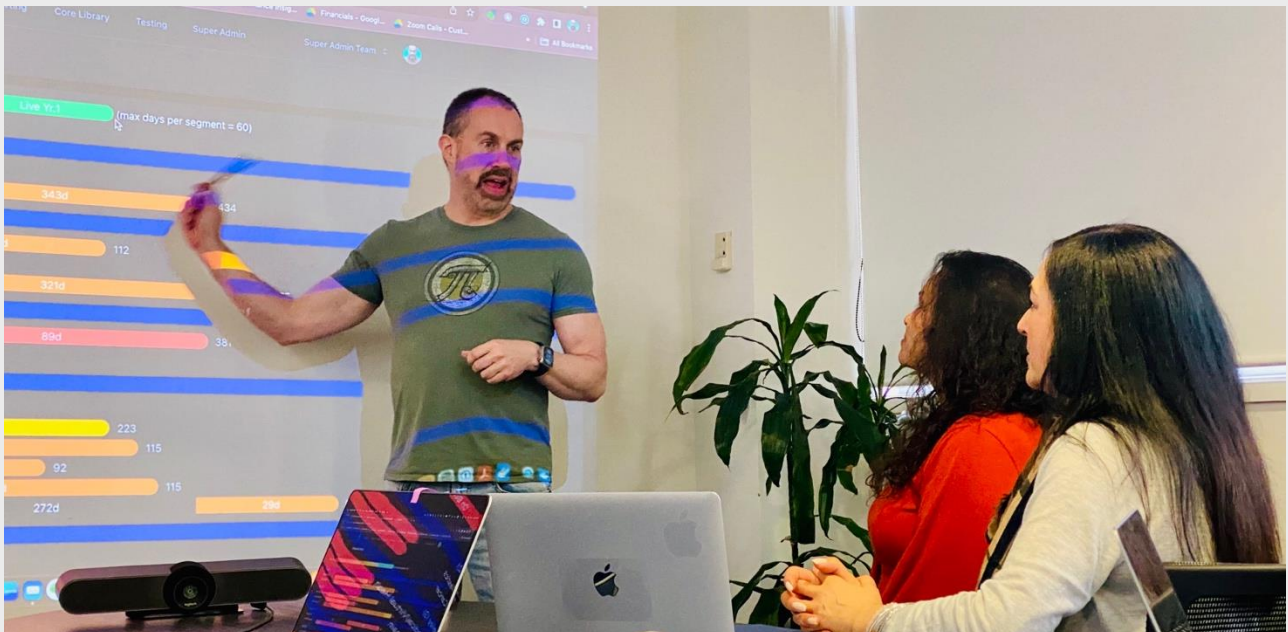
Somehow, it's worse than you think. Once, while working in New York, Stephen tried to book leave with his emergency department's HR, only to be given a hand-drawn transparency and a printed-off Excel Sheet. "They said 'Hold this up to the window and move the transparency around until you see where the gaps are in the leave schedule'."

*"I couldn't believe that this was the state of rostering in a hospital in this day and age."*

When Stephen later voiced his surprise and concern to HR, they told him: 'If you think you can do better, have at it'.

And so, he did. A self-taught programmer with a web-dev background, Pool set about digitising the hospital's archaic roster system, and within weeks, his new solution was up and running.

And it really worked. The platform drew immediate praise from peers and HR department alike, so Stephen spent the following month adding more helpful functionality - increasing schedule visibility for



*Dr Stephen Pool (Founder & CEO) with team members Helena Manis & Arzoo Syeddah*

employees, facilitating shift trading and the like - to the delight of all.

So far, so good.

Word spread to other NYC hospitals.

Then Stephen started receiving requests to overhaul their rostering systems.

Paging Doctor Pool; Doctor Pool to HR departments everywhere, please.

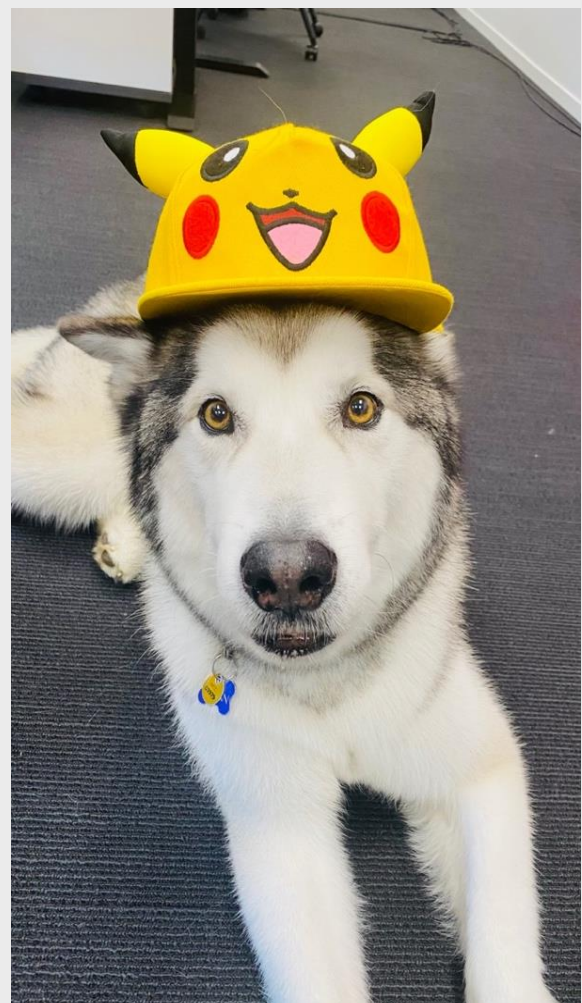
### **Escape to Paradise**

Emergency medicine is a thrilling, exhausting, encompassing occupation. But so is building a tech start-up.

After five years of juggling ED shifts with the demands of a budding software side hustle, Pool was approaching burnout.

And also, betrothal. Somehow Pool found time to marry long-time partner Neil, and, with knot tied, the couple visited New Zealand for a two-week action-adventure honeymoon.

They loved the place - everyone does - but had no intentions of upending their life to move here. Until that is, Stephen found out from a Stateside friend how easy we make it for American doctors to live and work here.



*Logan, Core Schedule Support Crew*



One thing led to another, and when a tentative job application to a Wellington employer turned into a concrete offer, he and Neil jumped at the chance.

A month later Stephen was walking into a new job at a Wellington emergency department and wondering just what he'd gotten himself into.

### Waiting for a breakthrough

All this time, the Core Schedule platform had been growing - slowly, steadily, and organically - and consuming more and more of Stephen's time.

Could Core Schedule stand on its own? When Stephen learned that a high-profile emergency medicine conference was scheduled to happen in Christchurch, he decided to find out once and for all.

Printing brochures and securing a table, Stephen and Neil officially presented the Core Schedule platform to industry peers for the first time - and the response was immediate.

"By the time we left the conference, we'd doubled our customer base," says Stephen, with a touch of disbelief. "That was when I realised, I was having so much more fun building Core Schedule than I was in the clinical practice."

Put another way, he was ready. He quit his full-time ED gig and went all in on Core Schedule.

### Core Schedule Takes Off

The software sold itself. Every new rollout seemed to spawn a host of new referrals - referrals that needed to be followed up. Neil officially joined the business and the pair started building a team.

Soon seven employees were on board, working out of the family home. Monday meetings were held at the kitchen table.

"Every time we hit a new conference we doubled our business," says Stephen.

*"What we were saying resonated with everyone we talked to. We could start with just a small contract in an emergency department and within six months we would be hearing from all these different parts of the hospital."*

The company was expanding quickly, scoring contracts to roll Core Schedule out across entire hospitals and DHBs, selling into Australia, and even securing shiny new offices on both sides of the Tasman.

### Fever pitching

Then came COVID. As the pandemic spread from continent to continent, and the potential impacts became known, hospitals everywhere mobilised as never before.



Amy Bell & Arzoo Syeddah from the Operations team

And Core Schedule had its biggest month ever.

*“Everybody was trying to fix their roster systems at the last minute, either up-staffing or completely changing the way their workers were rostered. We just had to keep up with the work.”*

A very good time, therefore, to receive a call from Punakaiki Fund co-founder Lance Wiggs.

“We’d spoken with Lance in 2019, and while he was interested, he had very respectfully told us: ‘You’re a little bit early for us, but we’re going to keep following you’.”

When COVID hit, he checked in again, and this time everything clicked.

Punakaiki led a funding round, providing the primed and ready Core Schedule with a shot in the arm.

## Complications

But every story needs a twist, and here is this one: once the COVID lockdowns tightened down on New Zealand and Australia, the phone stopped ringing.

“We had just finished our funding round and everything just stopped,” says Stephen. “Every hospital that hadn’t already signed with us just couldn’t deal with anything - they were just trying to keep afloat.”

Right when they should have been thriving like never before, Core Schedule’s big aspiration had turned to a rattle.



*Dr Stephen Pool & Jasmin Kelly*

“It was soul-crushing,” admits Stephen. “But I knew we just had to ride it out.”

## Bouncing back

And they did.

As the COVID menace retreated, so too did the institutional hesitation, and since then, Core Schedule has continued to build rapidly. The software is currently in use in over 100 hospitals, including 18 Kiwi DHBs, with major clients in Australia and the United States.

“We’ve only just scratched the surface of the market here and in Australia, so we’re in a great place,” says Stephen. “We’re in conversations with major hospitals and networks, we’re launching new telehealth products, and we’re being sought out by new customers.”

A second, smaller Punakaiki-led funding round was completed after the end of the September quarter, and Pool is considering another in the next 12 to 18 months.

“Connecting with Punakaiki Fund is one of the best things that has happened to us,” enthuses Stephen. “Nadine, our board member from the group, brings such expertise to the group. It’s great to be able to tap into that expertise when we need it.”

“We really do view Punakaiki as a partner.”

With that support, Pool is confident Core Schedule is a winner.

“Look, our number one competitor is Excel,” he laughs. “I know, I know. It’s shocking.”

“But with all that has happened, Core Schedule is now extremely well-positioned. We’ve got a primo product in a growing market. We’ve figured out what works and now we’re growing and expanding on that.”

“The future looks bright.”

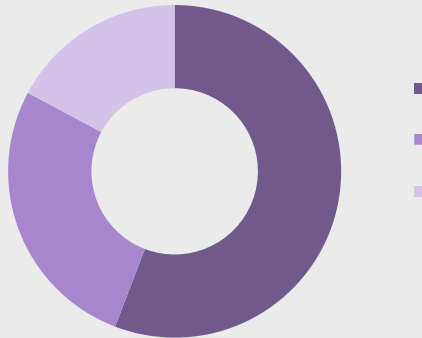


# Portfolio Valuation Splits

(as at 30 September 2023)

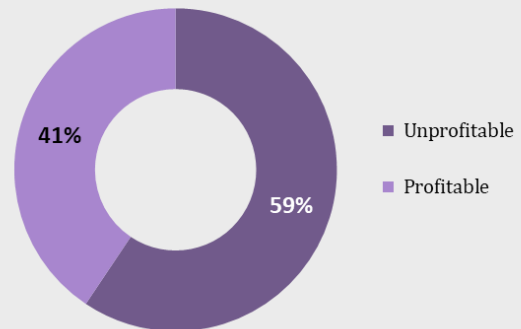
The diagrams below show various splits of the valuation of our portfolio companies.

**Valuation Split By Concentration**



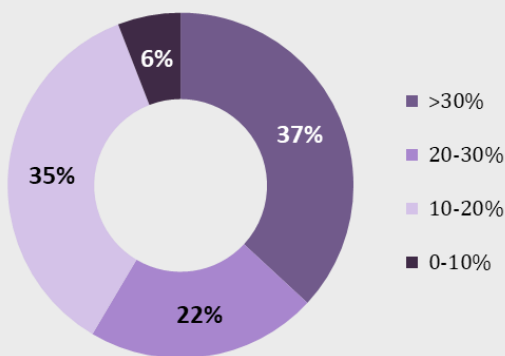
Our three largest investments represent 56% of the total value of Punakaiki Fund's portfolio.

**Valuation Split By Profitability**



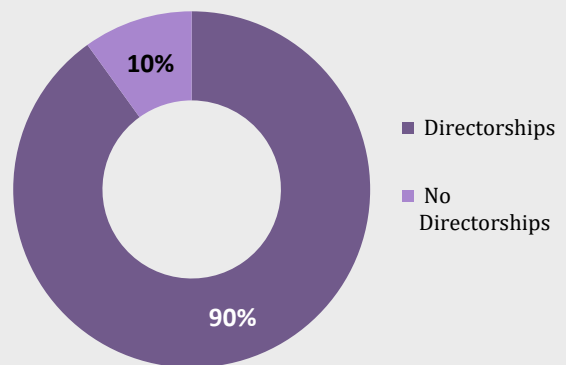
There is a good mix of profitable and unprofitable (investing for growth) companies. We mark down companies that are less sustainable and are comfortable with the portfolio balance.

**Valuation Split By Ownership %**



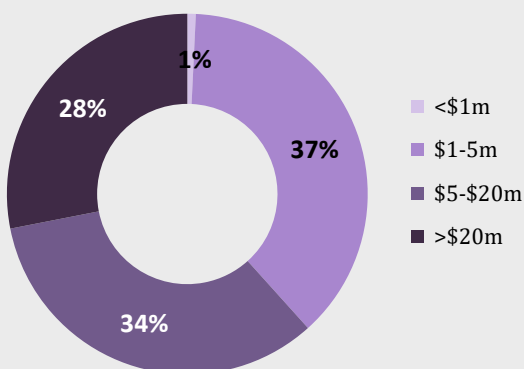
We like holding large shareholdings in companies, and only 6% of our portfolio value is where our shareholding is under 10%. At those levels we generally have very little influence over companies.

**Valuation Split By Directorship**



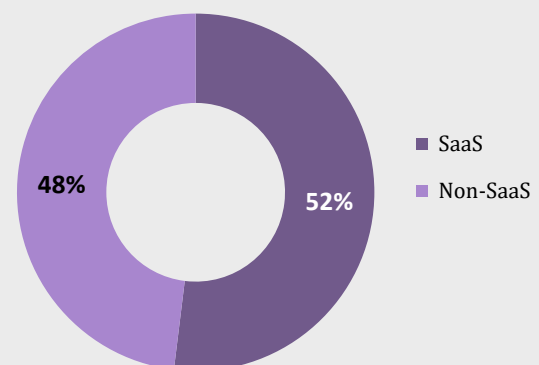
Directorships reflect that we are able to contribute where we have larger shareholdings, and thus have more visibility of and influence on company performance.

**Valuation Split By Revenues**



Only 1% of our portfolio value is from companies with under \$1 million in revenue, and 62% is from companies with over \$5m in revenue.

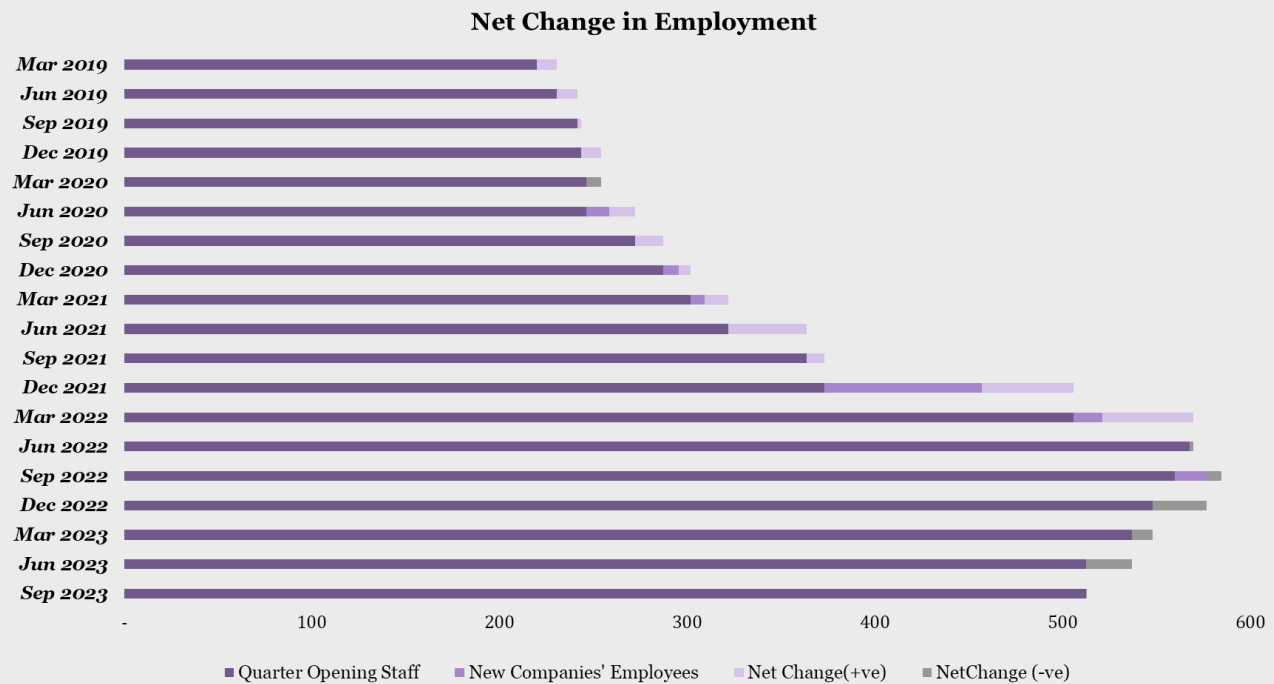
**Valuation Split By Business Model**



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

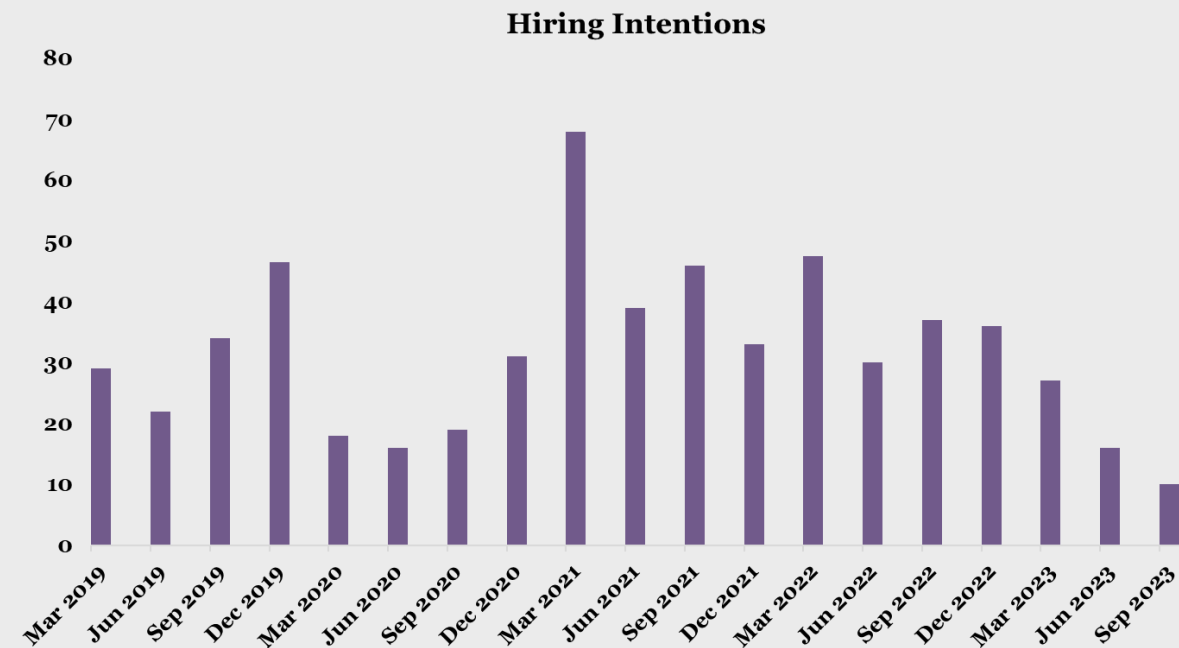
# Employment Monitor

(September 2023 Quarter)



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

Our employment monitor shows a total of 513 jobs filled at the end of September 2023 quarter, the same as last quarter, despite some portfolio companies gaining new employees, and others reducing in staff numbers.



Hiring intentions since last quarter have declined from 16 to 10 roles across all portfolio companies at the end of September 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 22 November 2023 for the quarterly Board meeting to consider, among other matters:

- A review of Punakaiki Fund's investment portfolio;
- The September 2023 quarter-end portfolio valuation;
- On-going work on long term strategy and renegotiation of the Management Agreement;
- The establishment of an Audit Committee; and
- An update on the Devoli process.

The Board's next meeting is planned to be held on 15 February 2024.

## Financial Reporting

The Investor Net Asset Value ("iNAV") of the fund after all accrued performance fees at 30 September 2023 were accounted for was \$94,684,819 (or \$32.67 per share), compared to an iNAV of \$93,586,309 (or \$32.29 per share) as at 30 June 2023, an increase of \$1,159,160 (or \$0.40 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 \$96,508,200 at

the end of the quarter, compared to \$95,761,315 at the end of the June 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 July 2023 of \$3,324,027;
- \$1,077,986 million was invested into Devoli;
- \$496,771 was received in proceeds from the exit of Moxion and a partial loan repayment from EverEdge;
- Net revaluation gains of \$1,258,785;
- Management fees of \$409,133 were paid to 2040 Ventures;
- Administration fees of \$160,281 were paid to 2040 Ventures in relation to the September quarter administration services provided to Punakaiki Fund;
- \$37,718 was paid in audit fees;
- \$33,068 was paid for accounting services;
- Design fees of \$3,079 were paid;
- Share register fees of \$2,547 were paid, as were \$930 for additional AML/CFT checks and other work undertaken by the register;
- Directors' Fees of \$108,750 were paid;
- GST refunds of \$40,327 and Interest of \$17,816; and
- A closing cash balance of \$2,045,423 as at 30 September 2023.

### Punakaiki Fund Limited - Unaudited Financial Position

as at 30 September 2023

NZ\$

#### Current Assets

Cash on Deposit	2,045,423
Accounts Receivable	11,366
Prepayments	16,721

#### Non-current Assets

Investments	95,390,000
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#### Total Assets

97,463,509

#### Current Liabilities

Accounts Payable	17,920
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#### Non-current Liabilities

Accrued Performance Fee	937,388
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#### Equity

Retained Earnings - Operations	(10,551,348)
Retained Earnings - Accrued Performance Fee	(2,760,769)
Share-based Payment Reserve	1,823,380
Asset Revaluation	57,273,589
Share Capital	52,159,117
Capital Raising Costs	(1,435,769)

#### Total Equity and Liabilities

97,463,509

#### Accounting NAV

96,508,200

#### iNAV (after deduction of the performance fee)

94,684,819

#### iNAV per Share

32.67

### Punakaiki Fund Limited - Cash Flow Summary

for the Quarter Ending 30 September 2023

NZ\$

#### Operating Cash Flows

Gross Interest Received	17,816
Bank Fees	(26)
Payments to External Advisors	(73,865)
Management Fees	(409,133)
Administration Fee	(160,281)
Other Net Expenses	(112,227)
GST Refunds	40,327

#### Total Operating Cash Flows

(697,389)

#### Investing Cash Flows

Investments Made	(1,077,986)
Investments Realised & Dividends Received	496,771
Dividends Received from Investments	-

#### Total Investing Cash Flows

(581,215)

#### Financing Cash Flows

New Capital Received	-
Brokerage Fees	-
Dividends Paid	-

#### Total Financing Cash Flows

-

#### Total Cash Movements

(1,278,604)

#### Opening Cash Balance

3,324,027

#### Closing Cash Balance

2,045,423

## Cash Flows for the December 2023 Quarter

Since the September 2023 quarter-end, an interim quarterly management fee payment of \$417,964 (including GST) has been made to 2040 Ventures, along with the final management fee of \$10,738 (including GST) for the September 2023 quarter. The administration fee for the December 2023 quarter (totalling \$160,281 including GST) has also been paid to 2040 Ventures. Design fees of \$1,797 and share register fees of \$849 have also been paid. A GST refund of \$12,396 has been received.

After the end of the quarter, a payment of \$66,118 was received related to a partial loan repayment by EverEdge, as was interest of \$4,099. A new investment of \$200,000 has been made into Core Schedule and 19,544 November 2023 \$30 Options were exercised, providing new capital of \$586,320 to Punakaiki Fund.

## Capital Raising Plans

Punakaiki Fund has opened a wholesale offer designed to attract investment from Active Investment Plus Visa applicants. The offer is priced at \$32.00 per share, with a minimum investment of \$500,000.

Other wholesale investors, including wholesale Punakaiki Fund shareholders, may invest in the offer. The Punakaiki Fund Board has granted 2040 Ventures discretion to lower the minimum investment amount for the offer on a case-by-case basis. 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

With the exception of 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.

# Other News

### Punakaiki Fund

[Punakaiki puts off IPO for another year](#)

[Punakaiki Fund seeks buyer for Devoli stake amid fresh capital raise](#)

The Daily CAFFEINE newsletter for New Zealand Startup's was launched. You can take a read below, which features Matt Hayter (Projectworks) and JD Trask (Raygun) on returning to the Workplace post COVID.

[Home or office? Is it time to return to the workplace?](#)

The Matchstiq Top 100 of NZ Kiwi startups and tech firms to work for in 2023. Featured on the list was Whip Around, CONQA, and Formus Labs. Read the full article and list here.

[Top 100 NZ tech firms to work for according to Matchstiq, Matchstiq top 100 2023 list](#)



**Contact**

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