



Global Positive Peace™ Growth Fund

JUNE 2022

PORTFOLIO NAV UNIT PRICE

30 June 2022	\$0.9487
31 March 2022	\$1.1313

PORTFOLIO PERFORMANCE

	3 m	6 m	1 Y	5 Y	INCEPTION
GPPGF Portfolio [^]	-16.7%	-29.4%	-20.2%	-	-1.8%
MSCI World Index in AUD	-9.6%	-17.3%	-8.4%	-	5.9%

[^] Source: ECP Asset Management.
Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns.

OBJECTIVE

To outperform the MSCI World Index in AUD by 2-4% over a rolling 5-year time frame.

STRATEGY

High-conviction portfolio of quality growth companies sourced globally where peaceful microeconomic foundations provide the optimal conditions for the economics of business to drive superior, long-term investment returns.

BENCHMARK

MSCI World Index in AUD

MANAGER

ECP Asset Management Ltd

INCEPTION DATE

3 September 2020

MANAGEMENT FEE

1.0% p.a.

PERFORMANCE FEE

20.0% of the Outperformance of the benchmark.

INVESTOR ENQUIRIES

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INSIGHTS AND RESEARCH PARTNER

**INSTITUTE FOR
ECONOMICS
& PEACE**

MARKET COMMENTARY

Equity markets in the fourth quarter have been under pressure as investor sentiment turned increasingly downbeat due to heightened concerns regarding global inflation and ongoing supply chain issues, accentuated by the Ukraine crisis, which could see the move into a global recession. Equity markets have priced in interest rate rises and the potential recessionary risks, driving substantial declines in equity valuations. Inflation has continued to be a major issue for most major economies, with several central banks taking appropriate action. This year, the policy response has been far more rapid than previously thought in 2021.

In the US, investors are primarily focused on inflationary fears and the Federal Reserve's policy responses. The US equity market has recorded its worst first half period in 60 years, shifting the market into bear territory. The Fed has signaled more rate hikes to come, noting the difficulty of bringing down inflation without triggering a recession. Despite the economy slowing and early signs of a recession, the US labour market continues to remain strong. During the quarter, unemployment held steady at 3.6%, and wage growth has not kept up with inflationary pressures, with US inflation rising +9.1% compared to a year ago. The S&P500 posted -16.5%, while the Nasdaq posted -22.4% by quarter-end.

In Europe, the ongoing Ukraine conflict has continued to drive steep declines for Eurozone equities as concerns related to gas shortages continue to rise. High inflation and the increasing cost of living are affecting consumer confidence, with the European Central Bank (ECB) expected to raise rates in the coming month. Ongoing disruptions saw Germany shift into phase two of its emergency plan, with the next steps being to ration gas. In the UK, the Bank of England increased its official rate by a combined 50 bps, with equities performing relatively well due to the large cap, defensive stocks. The FTSE posted -4.6%, the CAC -11.1%, and the DAX was -11.3%.

In Australia, cost of living pressures continue to rise, however, retail sales remain resilient. The Reserve Bank of Australia (RBA) increased interest rates by 50 bps in June, as inflation continues to be a key issue. In Australia, our quarterly inflationary statistics seemed to lag compared to our US and European counterparts, with +2.1% posted in the prior quarter, bringing inflation to 5.1% for the year ending March-quarter.

The ASX All Ordinaries posted -13.4% for the quarter, ASX 200 -12.4%, the Midcap 50 -15.0%, and the Small Ordinaries was -20.8%, respectively. The AUD depreciated during the quarter, posting -7.7% against the US Dollar (69.0 US cents), -0.5% against the Pound (56.7 pence), and -2.6% against the Euro (65.9 cents).

PORTFOLIO BREAKDOWN

SECTOR ALLOCATION	
Information Technology	38.2%
Telecommunications	17.2%
Cash	13.1%
Consumer Discretionary	9.1%
Consumer Staples	8.5%
Material	4.9%
Health Care	4.5%
Industrials	3.6%
Financials	1.0%

TOP HOLDINGS	
Microsoft Corporation	7.7%
Alphabet Inc	6.3%
Apple Inc	6.2%
Amazon.com, Inc	5.6%
Taiwan Semiconductor Manufacturing Co Ltd	4.1%
Costco Wholesale Corporation	3.8%
Meta Platforms Inc	3.7%
Alteryx Inc	3.5%
Visa Inc	3.3%