Global Positive Peace Growth Fund

December 2023

PORTFOLIO NAV UNIT PRICE

31 December 2023	**$1.3279**
30 September 2023	$1.2041

PORTFOLIO PERFORMANCE

	3 m	*6 m*	*1 Y*	*3 Y*	*INCEPTION*
GPPGF Portfolio^	10.1%	13.0%	47.7%	9.9%	11.5%
MSCI World Index in AUD	4.9%	4.5%	21.8%	10.0%	11.1%

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

MARKET COMMENTARY

In the last quarter, global equity markets experienced a resurgence, largely fueled by expectations that major central banks are nearing the end of their rate hiking cycles. This sentiment was buoyed by a dovish stance from the Federal Reserve (Fed) in December, prompting a reassessment of monetary policies worldwide. The changing backdrop led to a robust performance in developed market equities, overshadowing other market movements. Additionally, the quarter was marked by falling crude oil prices, which played a role in shaping the overall market climate.

In the US, the equity market witnessed notable gains, with the S&P 500 nearing its record high from early 2022, due to expectations of forthcoming interest rate cuts following easing inflation rates. Consequently, sectors most sensitive to interest rates, such as IT, real estate, and consumer discretionary, saw significant gains, while the energy sector's performance was dampened by falling crude oil prices. The S&P500 posted +11.2%, while the Nasdaq posted +13.6% over the quarter.

In Europe, the final quarter marked a period of strength for equities, which benefited from the softened inflation figures and the prospect of halted interest rate hikes. The UK market saw an upward trend, with small and mid-cap indices outperforming the broader market. This was partly due to a stronger sterling against the US dollar and moderated UK inflation rates, which fed into expectations of a halt in the Bank of England's interest rate hikes. The FTSE increased by +1.7%, the CAC by +5.7%, and the DAX by +8.9%.

In Asia, Japanese equities had a varied quarter, with equities being influenced by shifts in local politics, US economic data, and the Japanese yen's appreciation. Corporate earnings in Japan were generally strong, and the Bank of Japan indicated a move towards normalising its monetary policy, impacting the market outlook. More broadly, most Asian markets enjoyed gains, while China was an exception due to economic growth concerns and the real estate crisis. The Shanghai Composite posted -4.4%, the Hang Seng -4.3%, and the Nikkei +5.0%.

In Australia, equities performed well with gains in all sectors, particularly real estate, healthcare, materials, and IT. The Reserve Bank of Australia (RBA) kept the interest rate at 4.35%, differing from the more dovish trends of other central banks. Australia's economic growth was slow, affected by changes in consumer spending and investment, as well as a lower savings rate. The RBA maintained its interest rate due to ongoing inflation worries, even as business conditions weakened and unemployment rates rose slightly.

The ASX All Ordinaries posted +8.0% for the quarter, ASX 200 +7.7%, and the Small Ordinaries +8.0%, respectively. The AUD appreciated during the quarter, posting +5.9% against the US Dollar (68.1 US cents), +1.5% against the Pound (53.5 pence), and +1.4% against the Euro (61.7 cents).

PORTFOLIO BREAKDOWN

COUNTRY ALLOCATION	
America	50.4%
Australia	22.5%
United Kingdom	13.8%
Japan	5.0%
Netherlands	4.0%
Canada	3.3%
Germany	1.0%

TOP HOLDINGS	
Interactive Brokers Group Inc	7.2%
Block	5.3%
Salesforce, Inc	4.7%
ServiceNow Inc	4.6%
IDP Education Ltd	4.5%
Games Workshop	4.5%
Visa Inc	4.0%

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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