

# ECP GLOBAL GROWTH FUND (AUST)

March 2024

## PORTFOLIO NAV UNIT PRICE

31 March 2024	\$1.5272
31 December 2023	\$1.3279

## PORTFOLIO PERFORMANCE

	3 m	6 m	1 Y	3 Y	INCEPTION
GPPGF Portfolio <sup>^</sup>	15.7%	27.2%	45.0%	15.3%	14.8%
MSCI World Index in AUD	13.3%	18.9%	26.3%	12.5%	13.7%

<sup>^</sup> 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

#### EC Pohl & Co Pty Ltd

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## MARKET COMMENTARY

In 2024, global stock markets demonstrated robust gains, buoyed by a resilient US economy and expectations of interest rate cuts, though the pace of cuts may be slower than initially anticipated. Central banks moved closer to initiating rate cuts, contributing to declining government bond yields. Despite this backdrop of a "steady as she goes" seeking a soft landing, concerns persist regarding current valuations across equities and credit markets, where the focus remains on corporate profitability and investment resilience through these economic cycles.

In the US, equities experienced robust gains in Q1, supported by strong corporate earnings across various sectors, particularly in communication services, energy, information technology, and financials. While the Federal Reserve exercised caution regarding rate adjustments, data releases showcased the economy's resilience, with solid GDP growth and indicators pointing to expansion. Further, Presidential primaries during the quarter solidified Donald Trump's position as the presumptive nominee of the Republican Party. The S&P 500 posted +10.2%, while the Nasdaq posted +9.1% over the quarter.

In Europe, equities surged, buoyed by signs of improving business activity in the Eurozone, despite cautious remarks from ECB President Christine Lagarde reflecting concerns over continued inflation. In the UK, market sentiment leaned towards anticipating earlier interest rate cuts despite the Bank of England maintaining its policy rate at 5.25%. Annual inflation moderated, and the economy navigated a technical recession, with the UK economy attracting notable overseas inbound bid activity, especially among smaller and mid-sized companies. The FTSE increased by +2.8%, the CAC by +8.8%, and the DAX by +10.39%.

In Asia, equities displayed mixed performance in the first quarter. Japanese equities witnessed a remarkable surge during the first quarter, with foreign investors playing a pivotal role in propelling this rally, driven by growing optimism surrounding Japan's economic cycle marked by modest inflation and wage growth. The Nikkei reached a historic high, surpassing 40,000 yen. In contrast, concerns over China's economic growth and the real estate crisis weighed on Chinese markets, resulting in modest losses. The Shanghai Composite posted +2.23%, the Hang Seng -3.0%, and the Nikkei +20.6%.

In Australia, equities performed robustly across all sectors in the first quarter, supported by gains in real estate, healthcare, materials, and IT. Despite sluggish economic growth, the Reserve Bank of Australia (RBA) opted to maintain its interest rate at 4.35%, citing persistent inflation worries amidst weakening business conditions. The housing market remained resilient, with prices rising, supported by positive net migration and supply dynamics. The ASX All Ordinaries posted +4.1% for the quarter, ASX 200 +4.0%, and the Small Ordinaries +6.6%, respectively. The AUD depreciated during the quarter, posting -4.4% against the US Dollar (65.1 US cents), -3.5% against the Pound (51.6 pence), and -2.2% against the Euro (60.4 cents).

## PORTFOLIO BREAKDOWN

COUNTRY ALLOCATION	
America	48.9%
Australia	20.9%
United Kingdom	18.5%
Japan	5.2%
Netherlands	3.2%
Canada	2.2%
Germany	1.1%

TOP HOLDINGS	
Interactive Brokers Group Inc	7.3%
Block	5.9%
Games Workshop	5.6%
Fevertree Drinks	5.4%
Copart, Inc	5.0%
Salesforce, Inc	4.8%
IDP Education Ltd	4.7%