

ECP GLOBAL GROWTH FUND (AUST)

June 2024

PORTFOLIO NAV UNIT PRICE

30 June 2024*	\$1.4947
31 March 2024	\$1.5272

* Before payment of Year End Distribution

PORTFOLIO PERFORMANCE

	3 m	6 m	1 Y	3 Y	INCEPTION
GPPGF Portfolio^	-3.2%	12.0%	26.8%	9.4%	12.8%
MSCI World Index in AUD	-0.1%	13.2%	18.3%	9.4%	12.7%

^ Source: ECP Asset Management.

Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns.

MARKET COMMENTARY

Global equities saw varied performances across different regions. While the US and certain European sectors showed resilience, other areas, particularly in Asia, faced challenges. Central banks' policies and political events significantly impacted market sentiments and investor behaviour. Importantly, this year's returns have been largely driven by the equity market re-rating, where the US trades at a forward P/E of 21.0x, while Australia is at 16.8x, and Japanese and European equities are trading in line with their long-term averages. These rising valuations highlight the importance of an active approach to finding value.

In the US, share gains in Q2 were led by the information technology and communication services sectors. Ongoing enthusiasm around AI continued to boost related companies amid strong earnings and outlook statements, while weaker sectors included materials and industrials. The likely timing and extent of interest rate cuts remained a key focus for markets, with worries the US economy may be overheating, and strong economic data was greeted negatively by the market. The S&P 500 posted +3.9%, while the Nasdaq posted +8.3% over the quarter.

In Europe, Eurozone shares declined in Q2 due to uncertainty from France's parliamentary election announcement and reduced expectations for significant interest rate cuts. The European Central Bank cut interest rates by 25 bps in early June, but persistent inflation might constrain further cuts. In the UK, equities rose, and the FTSE 100 reached new highs. Despite slowing growth and favourable inflation trends, the Bank of England kept base rates at 5.25%. The FTSE increased by +2.7%, the CAC by -8.9%, and the DAX by -1.4%.

In Asia, equities displayed mixed performance in Q2. Japanese equities witnessed a modest gain, supported by positive earnings reports and increasing share buybacks. The Bank of Japan announced plans to reduce government bond purchases, which supported financial stocks. Despite these positive signs, concerns about yen weakness and stagnant consumer sentiment persisted due to negative real-term wage growth.

In Australia, equities were under pressure by quarter-end, with financials performing strongly. Economic data presented a mixed picture in Q2, where inflation surged in May to 4.0% year-on-year, well above expectations. This was followed by a higher April monthly figure suggesting the quarter will be above the Reserve Bank of Australia's (RBA) inflation forecast, putting pressure on them to raise rates in August. The RBA kept the cash rate steady at 4.35% in June, and the commentary shifted in a hawkish direction. The housing market has remained resilient, rising in June, with tight supply underpinning price growth.

The ASX All Ordinaries posted -1.7% for the quarter, ASX 200 -1.6%, and the Small Ordinaries -4.8%, respectively. The AUD appreciated during the quarter, posting +2.4% against the US Dollar (66.7 US cents), +2.2% against the Pound (52.7 pence), and +3.2% against the Euro (62.3 cents).

PORTFOLIO BREAKDOWN

COUNTRY ALLOCATION	
America	58.1%
United Kingdom	20.1%
Australia	9.3%
Netherlands	5.4%
Japan	4.0%
Canada	2.2%
Germany	0.9%

TOP HOLDINGS	
Adobe Inc	6.4%
Games Workshop	6.0%
Interactive Brokers Group Inc	5.8%
Salesforce, Inc	5.1%
ServiceNow, Inc	4.9%
Block, Inc	4.8%
The New York Times Company	4.2%

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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