

ECP GLOBAL GROWTH FUND (AUST)

September 2024

CLASS A - NAV UNIT PRICE

30 September 2024	\$1.3361
30 June 2024*	\$1.2759

*NAV after provision for FY2024 distribution.

PORTFOLIO PERFORMANCE

	3 m	6 m	1 Y	3 Y	INCEPTION
ECPGGF Portfolio [^]	4.5%	1.2%	28.7%	8.7%	13.2%
MSCI World Index in AUD	2.4%	2.7%	23.2%	10.6%	14.2%

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

MARKET COMMENTARY

Global equities gained in the quarter despite periods of increased volatility. Interest rate movements remained a central theme throughout the quarter. Major central banks, including the US Federal Reserve (Fed) and the European Central Bank (ECB), shifted their monetary policies by cutting interest rates, signaling a more accommodative stance in response to softening economic data. Despite these gains, market volatility persisted, with concerns over inflation, slowing growth, and the future path of interest rates leading to notable swings in sentiment.

In the US, shares advanced during the quarter, though sector performance varied. The utilities and real estate sectors were among the top performers, while information technology posted only a small advance, reflecting mixed sentiment. During the quarter, weaker-than-expected jobs data raised concerns about a potential economic slowdown, which prompted speculation about significant rate cuts. This became a reality when the Fed announced a 50-basis point cut to interest rates in September, settling market jitters. The S&P 500 posted +5.5%, while the Nasdaq posted +2.6% over the quarter.

In Europe, the real estate, utilities, and healthcare sectors benefited from expectations of further rate cuts, while energy and information technology lagged behind. The ECB cut interest rates by 25 basis points in September, following a period of softening inflation, which fell from 2.6% in July to 1.8% in September. Despite these positive developments, economic activity showed signs of weakening. Political changes in France added further uncertainty, while the UK saw equity gains driven by the Labour Party's landslide victory and the Bank of England's first rate cut in four years. The FTSE increased by +0.9%, the CAC by +2.1%, and the DAX by +6.0%.

In Asia, the third quarter brought mixed results. Japanese equities experienced significant volatility, peaking in early July before correcting sharply due to weaker US economic data and an interest rate hike by the Bank of Japan (BoJ). By quarter-end, corporate earnings remained strong, supported by a weaker yen and positive real wage growth for the first time in over two years. Elsewhere in Asia, Chinese stocks recorded strong gains, bolstered by a raft of stimulus measures aimed at reversing the country's economic slowdown. The Shanghai Composite posted +12.4%, the Hang Seng +19.3%, and the Nikkei -4.1%.

In Australia, equities recorded solid gains, outperforming many developed markets. The ASX All Ordinaries posted +6.6% for the quarter, the ASX 200 +6.5% with the real estate and IT sectors posting strong performance of +13.8% and +16.1%, respectively, while the materials sector surged by +8.5. The Reserve Bank of Australia (RBA) maintained the cash rate at 4.35%, though it did not rule out future hikes. Inflation data showed a moderate decline, while the labour market remained strong, with unemployment steady at 4.2%.

PORTFOLIO BREAKDOWN

COUNTRY ALLOCATION	
America	61.2%
United Kingdom	18.4%
Australia	6.1%
Netherlands	5.0%
Japan	2.2%
France	3.6%
Canada	1.8%
Germany	1.6%

TOP HOLDINGS	
Block, Inc.	5.9%
Interactive Brokers Group, Inc.	5.7%
Games Workshop Group	5.6%
IDP Education Limited	5.4%
Salesforce, Inc.	4.6%
WISE PLC	4.6%
Amazon.com, Inc.	4.3%
Meta Platforms, Inc.	3.9%

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

0.7% p.a.

PERFORMANCE FEE

15.0% of the Outperformance of the benchmark.

APIR

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INVESTOR ENQUIRIES

EC Pohl & Co RE Ltd

Level 12, Corporate Centre One
2 Corporate Court
Bundall QLD 4217
AUSTRALIA

📞 1800 352 474
✉️ investors@ecpohl.com