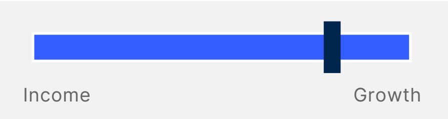
ECP Growth Companies Fund

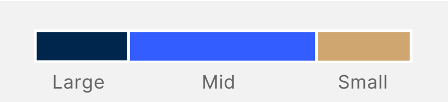
Fund report | March 2026

ECP

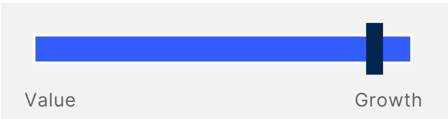
Capital growth vs income



Mid cap bias



Investment style



Key facts

Investment strategy
A high conviction, Australian equities portfolio designed to deliver alpha above benchmark

Investment objective
Outperform index by over 2-4% p.a. over 5 years

Benchmark index
S&P/ASX 300 Accumulation Index

Fund Manager
ECP Asset Management

Fund Inception date
Jan 2020 (strategy commenced 2012)

Management fee
0.90% p.a.[1]

Performance fee
15.375% of benchmark outperformance[1]

Number of stocks
Typically 25-30

Ratings
Lonsec Highly Recommended
Zenith Recommended
Lonsec 5 Bees Sustainability Score

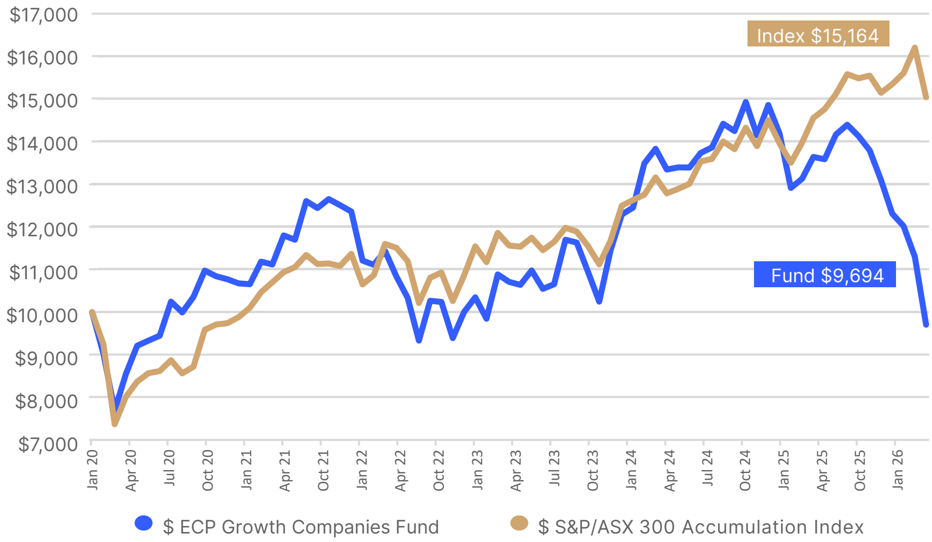
Platforms
BT Panorama, Netwealth, Powerwrap, Praemium, Hub24, North, Mason Stevens

Performance*

At month end	1 mth	3 mth	6 mth	1 yr	3 yr	5yr	Incep.+
ECP Growth Companies Fund	-14.5%	-21.6%	-31.9%	-25.4%	-3.1%	-1.9%	-0.5%
S&P/ASX 300 Accumulation Index	-7.3%	-2.0%	-2.9%	11.6%	9.4%	8.5%	7.0%
Outperformance	-7.2%	-19.6%	-29.0%	-37.0%	-12.5%	-10.4%	-7.5%

*(%, returns greater than one year are per annum) | +Inception of the ECP Growth Companies Fund for performance calculation purposes is from inception of the ECP Growth Companies Fund as at 31 January 2020.

Performance comparison of $10,000 since inception



Monthly commentary

The market narrative in March was dominated by the escalation of the conflict in the Middle East and the subsequent closure of the Strait of Hormuz on March 4. According to the International Energy Agency (IEA), this represents the "greatest global energy security challenge in history," triggering a supply disruption that saw Brent Crude surge past $100/bbl mid-month.

Domestically, the Reserve Bank of Australia (RBA) reacted to these renewed price pressures by raising the cash rate to 4.10% at its March meeting. The Board noted that the Middle East conflict has "tilted risks further to the upside," particularly concerning inflation expectations.

This macro reset has forced a market-wide de-rating of high-multiple sectors as investors move to price in a more persistent inflationary environment and heightened recession risks.

Despite this challenging macro environment, our portfolio's fundamental health remains resilient. We are observing a period where the market is indiscriminately selling growth, yet our core holdings are delivering operational evidence of their ability to weather a downturn. Take for example, WiseTech Global (WTC). While the broader sector faced headwinds, WiseTech's operational focus on Agentic AI (as discussed in Part II of our recent Long Live Software series) is increasingly relevant as a hedge against rising input costs. Their goal to reduce customer logistics workflows by 50% offers a structural productivity gain that becomes more valuable in a high-inflation, low-growth stagflationary scenario. Block Inc (XYZ) provides another example. Block's aggressive shift toward efficiency - evidenced by their 40% workforce reduction - aligns with the 'Productivity Reinvestment' theme we explored in Part III. In a cooling economy, we believe lean, AI-empowered operators will outperform legacy incumbents burdened by traditional labor costs.

In our view, the March volatility is a function of external geopolitical shocks rather than a breakdown in corporate fundamentals. We remain positioned in industry leaders that possess the balance sheet strength and technological edge to navigate a period of prolonged macro uncertainty.

Key positive contributors to portfolio performance during the month included Nanosonics Limited (NAN) and TechnologyOne Ltd (TNE).

Nanosonics Limited (NAN) benefited during March from a continued positive reaction to the controlled market release of its FDA-approved Coris product. With a strong balance sheet containing over $160m in net cash and a track record of generating $35m in free cash flow, the company's recurring revenue model continues to attract investor interest. The stock's performance reflects a steady transition toward its next phase of growth as it leverages its established Trophon margins to support broader platform expansion.

Investor confidence in TechnologyOne Ltd (TNE) remained high throughout March 2026 as the market continued to react to the upgraded FY26 earnings guidance provided at its February AGM. Success in both ANZ and UK markets, particularly within the government and education sectors, has validated the company's SaaS-Plus growth strategy. The business continues to demonstrate momentum as it capitalises on its product footprint, with the market rewarding its ability to maintain disciplined go-to-market execution despite broader sector fluctuations.

Key negative contributors to portfolio performance during the month included Corporate Travel Management Ltd (CTD), Chrysos Corp Ltd (C79) and James Hardie Industries (JHX).

Corporate Travel Management Ltd (CTD) was a key detractor this month, as the Fund's Responsible Entity reduced the value of the holding, which negatively impacted fund performance over the period.

Following a period of significant appreciation, Chrysos Corporation Ltd (C79) saw a retracement in March as investors locked in gains from the prior month's 1H26 result. Although the company remains on track to hit the upper end of its FY26 guidance, supported by a constructive gold price environment and increased unit utilisation, the market took a more cautious approach toward its capital expenditure profile. While the securing of a $200m debt facility supports future unit deployments, short-term price action reflected a cooling of recent momentum.

James Hardie Industries (JHX) underperformed during the month as the US housing market continued to contend with persistent affordability challenges and a softening labor market. While mortgage rates have stabilized near 6.0%, the broader housing cycle remains in a period of consolidation, with single-family starts projected to remain flat in the 1.3m to 1.4m range for 2026. This stagnation in new construction has led to organic volume declines in the company's siding and trim segments, despite the benefit of higher average selling prices. While the Repair & Remodel (R&R) market, where JHX has ~65% exposure, is growing a modest ~2.4%. Consequently, market sentiment was impacted by concerns that R&R resilience may not fully offset the drag from the new-build sector. To manage this environment, management has proceeded with the closure of two US facilities to better size the cost base, and focusing on unlocking synergies from the integration of the Azek acquisition.

Stock in Focus

Megaport (MP1) is a pioneering Australian technology company that has quietly built the plumbing for the multicloud era. It has developed a global, software-defined network (SDN) that allows enterprises to bypass the public internet and connect disparate data centers and cloud providers in under a minute. Megaport's fabric can be found in over 1,000 data centers globally, serving as the essential neutral layer for digital natives and blue-chip enterprises alike.

The company's primary value proposition is solving the Hyperscaler Trap. While cloud giants like AWS and Azure make it easy to ingest data, moving data out or between them is subject to expensive egress fees. Megaport inverts this model by placing the network at the center of the architecture. By controlling the transit points, Megaport allows customers to move data across a private fabric, effectively eliminating the digital border tax imposed by traditional cloud providers. We are already seeing the economic impact of this shift; for instance, Megaport's native NAT Gateway allows companies to bypass cloud-native data charges, reducing networking bills by up to 70% for some users.

Under the leadership of CEO Michael Reid, the company has transitioned from a simple connectivity utility to a high-margin Infrastructure-as-a-Service (IaaS) platform. The strategic acquisition of bare-metal provider Latitude.sh has been a primary catalyst, allowing customers to provision physical, high-performance servers directly onto the network. This is particularly relevant for the AI era, where latency-sensitive applications require compute power at the edge, far removed from congested public routes.

While Hyperscalers are beginning to offer their own native cloud-to-cloud bridges, Megaport remains insulated by its neutrality and its reach into thousands of secondary data centers and local internet exchanges where the walled gardens do not operate. Management is skillfully layering high-margin software services - such as firewalls, DDoS protection, and precision timing - onto the existing physical moats, capturing a larger share of the enterprise wallet at a very low incremental cost.

Looking ahead, the upcoming integration of native cloud storage and Kubernetes orchestration represents the next major growth frontier. This will allow data to live permanently on the Megaport fabric rather than being trapped in a specific cloud silo. Over the next decade, we expect Megaport’s evolution from "the pipes" to a comprehensive infrastructure platform to cement its position as the indispensable, high-margin backbone of the global multicloud economy.

Sector allocation

GICS sector	ECP %	Index %	+/- %
Communication Services	8.8	3.6	5.2
Consumer Discretionary	22.9	6.5	16.4
Consumer Staples	0.0	3.8	-3.8
Energy	0.0	5.0	-5.0
Financials	19.9	33.7	-13.8
Health Care	16.4	6.2	10.2
Industrials	2.8	7.3	-4.5
Information Technology	18.4	2.1	16.3
Materials	5.2	24.5	-19.3
Real Estate	0.0	5.8	-5.8
Utilities	0.0	1.5	-1.5
Cash	5.7	0.0	5.7
Total	100.0%	100.0%	-

Why ECP?

- A highly rated Australian equity investment capability available to Australian investors through Copia
- Fund aims to boost portfolio performance by capturing the alpha of selected Australian companies as they grow
- High conviction, all cap approach may blend well with other highly diversified investment strategies such as passive funds or ETFs

Top 10 holdings

Company	Weight %
Block Inc	5.7
ResMed Inc	5.1
Judo Capital Holdings Ltd	4.4
James Hardie Industries	4.1
IDP Education Ltd	4.1
Temple & Webster Group Ltd	4.0
PWH Holdings Ltd	4.0
Fineos Corp Holdings Plc	3.9
Guzman y Gomez Ltd	3.7
Lovisa Holdings Ltd	3.7

Key contributors

Company	Weight %
Nanosonics Ltd	2.1
TechnologyOne Limited	1.1

Key detractors

Company	Weight %
Corporate Travel Management	2.8
Chrysos Corp Ltd	4.1
James Hardie Industries	5.1

Portfolio metrics (5yr)

Portfolio IRR	24.8
Beta (5Y)	1.14
Downside Capture (5Y)	1.09

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All distribution queries can be made directly to the **ECP Client Services team**

[1] inclusive of GST, net of RITC