ECP
Fact Sheet

Redefining active investing

- A highly rated Australian equity investment capability now available to Australian investors through Copia
- Fund investment strategy is one of Australia's top performers in its category over the past decade[1]
- 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

Key facts

Investment strategy
An Australian all-cap equity portfolio with a high conviction, growth style approach.

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

Inception date
January 2020 (strategy commenced 2012)

Management fee
0.90% p.a. (inclusive of GST net of RITC)

Performance fee
15.375% of benchmark outperformance

Ratings
Lonsec Highly Recommended
Zenith Recommended

Previously only accessible to Australia's largest institutional investors, ECP Asset Management's All Cap Growth portfolio is now available to Australian investors through the ECP Growth Companies Fund. With a $20,000 minimum amount, investors can now directly access an Australian equity investment strategy that's highly-rated institutionally and managed by a team with professionals that have previously been behind one of Australia's greatest fund manager success stories.

The ECP Growth Companies Fund is offered through an exclusive partnership between ECP Asset Management, and specialist fund distributor Copia Investment Partners.

About the Fund

The ECP Growth Companies Fund is a high conviction Australian equities portfolio that is highly concentrated, holding between 25 and 30 stocks at any time. The Fund will seek to invest in ASX-listed companies that have strong earnings growth potential. As an 'All Cap' strategy, the Fund can invest across the market capitalisation spectrum. There is expected to be a higher concentration (approx. 50%) to companies listed within the top 50-100 (mid-caps).

What type of companies does the Fund invest in?

The Fund seeks to identify and invest in high-quality growth businesses that can generate predictable, above-average economic returns, both in terms of their price appreciation and earnings potential. These companies are typically in the growth stage of their life cycle, and as they grow, are expected to deliver superior investment performance and wealth creation benefits back to the Fund's investors.

Performance focused on picking the best stocks

Different Australian equity funds aim to deliver performance in different ways. Some aim to perform in line with an index such as the S&P/ASX 300, while others aim to outperform, but within a close range. The ECP Growth Companies Fund is in a high conviction category. Performance is sought mainly through active stock selection, rather than just market performance. This is precisely where ECP believes it has the greatest capability and expertise.

Investment approach

Building a best ideas portfolio of up to 30 stocks from a universe that includes hundreds of stocks is not a simple task. The process that ECP employs in its quest to isolate the best opportunities from the rest, is based on a repeatable set of steps. Every stock is considered on a consistent set of key factors, and assessed using the skills and judgement of the investment team. The four main stages in the investment process are shown below.

1 Asset selection

ECP looks for high quality businesses, in the growth stage of their lifecycle, that are are capable of generating above average returns on their invested capital through time.

2 Portfolio construction

ECP allocates capital based on the relevant expected rate of return in order to maximise return over the investment time horizon. Weights are adjusted to account for medium term risks including predictability of earnings, and liquidity.

3 Implementation

This is the process for matching the actual portfolio to the theoretical portfolio. The goal is to ensure transaction costs are minimised through time, but maintain a portfolio that is reflective of the model.

4 Review

Review what worked and what didn't. Look at ways to incrementally improve the process, prove concepts work and implement them.

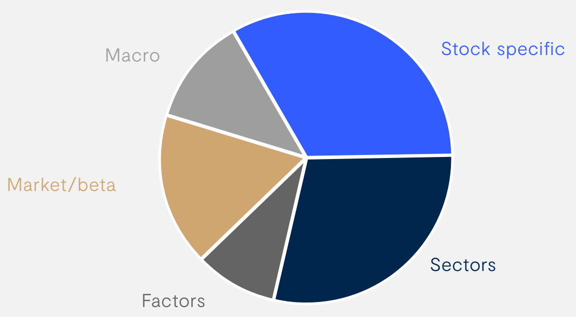

Figure 1. Sources of return from the ASX300[2]

> "Without a high conviction growth strategy such as ECP, an investor may be missing out on a major source of potential active return from the ASX"
>
> Jared Pohl, ECP Asset Management

Market inefficiencies we exploit

Sustainable opportunity

Quality growth
Growth anomoly
The market undervalues extremely high-quality, capital efficient, organic growth businesses

Longterm
Time arbitrage
The market tends to overemphasize temporary themes and short-term factors

The case for active stock selection

The primary reason active stock selection is relevant for investors is that when the performance of the ASX 300 is deconstructed to its constituent levels, active stock specific alpha explains one third of overall performance – with market-related return (known as beta) representing just 17% (see Figure 1).

By not having an active stock selection strategy in a portfolio, an investor may be missing out on a major source of potential return that is available in the asset class.

Suitable investors

The Fund is designed to be used as an alpha generation strategy within the Australian equity allocation of an investor's portfolio. The Fund employs a highly active, growth-based investment style and this may offer complementary benefits with other more index-based investments in an investor's portfolio, such as passive equity funds or Exchange Traded Funds.

The specific allocation of the Fund in the portfolio will depend on an investor's own objective and risk tolerances, which can be determined with the help of a qualified financial adviser.

5 Highly Recommended Lonsec Research
Zenith RECOMMENDED
Lonsec Sustainability Score
riaa Responsible Investment Leader 2023
CERTIFIED RESPONSIBLE INVESTMENT
CERTIFIED BY RIAA

ECP Investment Team

ECP Asset Management is a high conviction Australian equities fund manager established in 2013. The investment team includes six professionals and the business has built a successful, well-rated institutional offering with $1.7 billion under management. ECP's founder, Dr Manny Pohl, also founded Hyperion Asset Management, with many of the same success factors and principles carried over.

Dr Manny Pohl

BSc(Eng), DBA, FAICD, FFin

Manny has over 35 years of investment experience. Prior to co-founding ECP, he founded Hyperion Asset Management in 1996 and was its CEO, Managing Director and Investment Committee Chairman until 2012. Manny is also a member of the South African delegation to the Annual Meeting of the Board of Governors of the World Bank and the International Monetary Fund.

Andrew Dale

CA

Andrew has more than 20 years' experience in financial services. Prior to joining ECP in 2014, he was Managing Director, Global Natural Resources with Macquarie Bank based in Hong Kong. Andrew has also held positions with ABN Amro and Yahoo, as well as KPMG.

Jared Pohl

MBA

Prior to co-founding ECP, Jared was part of the Hyperion Asset Management investment team until 2012. In addition, Jared spent some time seconded to Wasatch Advisors in Salt Lake City. Prior to his time in financial services, Jared consulted on a number of IT projects. He has continued to be involved in the entrepreneurship space, regularly giving lectures to students on tech investment and entrepreneurship.

Sam Byrnes

CFA

Sam joined ECP in 2016. Prior to joining ECP, Sam spent 8 years at Bell Potter Securities on the sales desk and as a Small Caps Research Analyst. Sam covered a range of small and mid cap industrials and cyclicals.

Damon Callaghan

CFA

Damon joined ECP in 2017 having previously held positions at Fidelity International from 2013 to 2017, covering various sectors including Property, Mining, Energy and Utilities. Prior to this he worked in equity research at various investment banks including Nomura and J.P. Morgan, covering Small Caps, Telecommunications & Media.

Jason Pohl

BCOM, LLB, MBA, GAICD

Jason joined ECP in 2012 and is responsible for identifying investment opportunities, company specific research and the firm's responsible investment efforts. Prior to joining ECP, he completed a clerkship at Ashurst, focusing on Corporate Law. He is admitted as a legal practitioner in the Supreme Court of NSW.

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[1] Based on industry performance surveys for the ten years ending January 2020. For further information on fund performance or industry surveys used as reference in this document, please contact Copia. [2] Source: UBS Quant Research. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this document, readers should consider whether the investment is suitable for their needs. This may involve seeking advice from a qualified financial adviser. Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) is the issuer of the ECP Growth Companies Fund (ARSN 638 323 001. A current PDS is available online at copiaecp.com.au, from Copia located at Level 47, 80 Collins Street (North Tower), Melbourne VIC 3000, by calling 1800 442 129 (free call) or by emailing clientservices@copiapartners.com.au. A person should consider the PDS before deciding whether to acquire or continue to hold an interest in the Fund. Any opinions or recommendations contained in this document are subject to change without notice and Copia is under no obligation to update or keep any information contained in this document current. The rating issued September 2023 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned APIR OPS2991AU June 2024) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at http://www.zenithpartners.com.au/RegulatoryGuidelines. RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that ECP Growth Companies Fund adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and ECP Growth Companies Fund's methodology, performance and stock holdings can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.