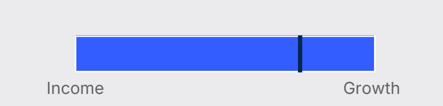
ECP

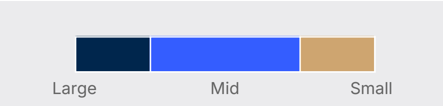
ECP Growth Companies Fund

Fund Report | 31 August 2026

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

January 2020

Management Fee

0.90% p.a.

Performance Fee

15.375% of benchmark outperformance

Number of Stocks

Typically 25-30

Ratings

Lonsec Highly Recommended

Zenith Recommended

Platforms

Netwealth, Powerwrap, Praemium, Hub24, North, Mason Stevens

Contact

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

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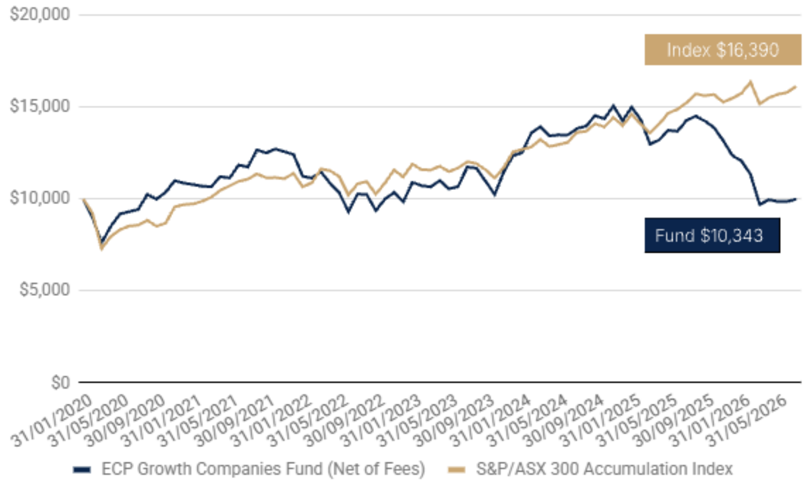
Performance

Performance (AUD, Net of Fees, %)	1m	3m	6m	1y	3y (pa)	5y (pa)	Incep^ (pa)
ECP Growth Companies Fund	3.5	4.8	-8.7	-28.7	-4.0	-4.0	0.5
S&P/ASX 300 Accumulation Index	1.6	4.4	0.2	4.3	11.2	7.6	7.8
Excess Return	1.9	0.4	-8.9	-33.0	-15.1	-11.6	-7.3

Past performance is not a reliable indicator of future performance. The total return performance figures quoted are historical, calculated using end-of-month mid prices and do not allow for the effects of tax or inflation. Total returns for the benchmark do not incur these costs. Total returns for the Trust assume the reinvestment of all distributions. ^Performance is from inception of the ECP Growth Companies Fund (Unit Trust) as at 31 January 2020.

Performance comparison of $10,000 since inception



Monthly Commentary

With the local economy recently absorbing three rate rises, an oil shock and the May Budget, there was going to be a lot of spend inflections showing up at results and associated trading updates. Australian construction/building and housing demand is declining, and the consumer has shown more pain. Companies tied to the US housing market & consumer, however, fared relatively better. Software, on the other hand, is defying the scepticism. Rather than destroying tech moats, AI integration is accelerating development velocity, widening competitive leads, and enabling market leaders to scale revenue ahead of costs, creating attractive long-term valuation opportunities while the broader market remains overly focused on short-term earnings.

Key positive contributors to portfolio performance during the month included Nuix Ltd (NXL), Resmed Inc (RMD) and WiseTech Global Ltd (WTC).

NXL contributed positively during August, boosted by the release of its FY26 results which demonstrated accelerating operational leverage and profitability. Performance was driven by encouraging enterprise adoption of the Nuix Neo platform, with Neo annualised contract value demonstrating meaningful new sales. Group ACV and revenue grew strongly, supported by cross-selling into key corporate and government accounts alongside the successful integration of Linkurious.

RMD delivered strong performance during the month, benefiting from robust quarterly earnings that highlighted resilient demand for its sleep apnoea devices. The company demonstrated solid margin recovery, easing previous concerns regarding supply chain disruptions and component costs. Furthermore, fears surrounding the competitive threat of GLP-1 weight-loss drugs continued to subside as clinical data suggested complementary usage patterns. This positive sentiment, combined with strong cash flow generation, supported the stock's upward trajectory.

Key negative contributors to portfolio performance during the month included Megaport Ltd (MP1), Life360 Inc (360) and HUB24 Ltd (HUB).

MP1 contributed negatively during August following the release of its FY26 results. Despite delivering strong revenue growth and achieving record group Annual Recurring Revenue driven by solid expansion in its core Network-as-a-Service business and rapid adoption of newly integrated Latitude.sh compute infrastructure, the share price experienced a pullback. Near-term sentiment has been impacted by concerns regarding higher capital intensity, and investor uncertainty regarding the quantum of future free cash flow based on major moving parts including: contract go-live, GPU-pool launch and utilisation, and post contract asset ARR potential. On all these elements, we believe the market is under-appreciating the future earnings inflection for the company.

360 detracted in August, falling sharply following its Q2 result. The quarter itself was strong - revenue up 38% to a record US$159m, Paying Circles up 27%, monthly active users crossing 100 million, and advertising revenue more than quadrupling to US$22m as the Nativo platform integrated. However elevated expectations for accelerating MAU growth and an upgrade to full year guidance were not met. This, along with a heavy reliance on Q4 advertising revenue drove the share price reaction. We continue to see improving execution, more levers for growth as well as an improved risk-reward value proposition.

Stock in Focus

Lovisa Holdings Ltd (LOV) is an Australian-founded global specialty retailer of fast fashion jewellery and accessories, operating 1,136 stores across more than 50 markets. The business model is one of the more attractive in global retail: small-format corporate-owned stores of ~80sqm, low fitout costs, vertically designed product sold at gross margins over 80%, and a supply chain that moves product from design to store in weeks. This combination produces high returns on capital, short payback periods on new stores and strong cash generation, with operating cash flow of $294.5m in FY26 converting at ~98% of EBITDA.

The investment case rests on the global store rollout. Lovisa opened 160 new stores in FY26, taking network growth to +105 net, with Europe and the Americas each growing sales close to +30%. These regions remain significantly underpenetrated relative to the mature ANZ market, and the UK and Germany delivered 54 openings between them, providing the base for continued expansion. Landlord fit-out contributions rose +70% as US landlords increasingly court the brand, a useful signal of its standing in the world's largest retail market. Gross margin has now expanded 6 consecutive years, +270bps since FY23, driven by sourcing, promotional efficiency and shrinkage, not price alone.

The FY26 result showed both the strength and the tensions in the model. Sales grew +17.6% with comps +2.0%, EBITDA rose +20.9% to $301.1 m and NPAT +10.7% to $95.6m, with dividends of 86cps representing a 100% payout. Against that, the home ANZ market declined -5.7%, lease costs grew ahead of sales, and incremental margins ran below the group average as the rollout shifts toward newer, less mature markets. These are the natural economics of a global expansion phase, but they are the metrics we watch most closely, as the durability of new store returns ultimately governs how much of the long runway converts into shareholder value.

Trading in the first 8 weeks of FY27 showed sales +16.4% and comps +3.0%, with momentum improving through August. With a long store runway, structural gross margin gains and a highly cash generative model funding both growth and dividends, Lovisa remains a high quality global rollout story.

Sector Allocation

GICS Sector	ECP %	Index %	+/- %
Communication Services	7.2	3.2	4.0
Consumer Discretionary	18.2	6.7	11.5
Consumer Staples	0.0	3.8	-3.8
Energy	0.0	4.5	-4.5
Financials	23.1	31.6	-8.4
Health Care	14.7	6.6	8.2
Industrials	1.0	6.8	-5.7
Information Technology	27.6	2.4	25.2
Materials	4.1	27.5	-23.4
Real Estate	0.0	5.5	-5.5
Utilities	0.0	1.4	-1.4
Cash	4.0	0.0	4.0
Total	100.0	100.0	0.0

Why ECP?

A highly rated Australian equity investment capability available to Australian investors

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

5 Highly Recommended Lonsec Research

Zenith RECOMMENDED

Responsible Investment Leader 2026 A proud RIAA member riaa

CERTIFIED RESPONSIBLE INVESTMENT CERTIFIED BY RIAA

Top 10 Holdings

Company	End Weight %
Block Inc	6.8
Megaport Ltd	6.4
WiseTech Global Ltd	6.4
Resmed Inc	6.1
Judo Capital Holdings Ltd	5.4
Lovisa Holdings Ltd	4.9
Guzman y Gomez Ltd	4.3
ARB Corp Ltd	4.0
Xero Ltd	3.8
HUB24 Ltd	3.8

Key Contributors

Company	Avg Weight %
Nuix Ltd	2.5
Resmed Inc	6.8
WiseTech Global Ltd	6.0

Key Detractors

Company	Avg Weight %
Megaport Ltd	6.9
Life360 Inc	2.5
HUB24 Limited	3.9

Portfolio Metrics (5 yr)

Portfolio IRR (Ex-Ante)	24.8
Beta (5Y)	1.17
Downside Capture (5Y)	1.15

' inclusive of GST, net of RITC