

## Fund Update

ALL CAP

31 Dec 2019

### Portfolio Performance

%	1 m	3 m	6 m	1 Y	2 Y	3 Y	5 Y	10 Y	INCEPTION**
ECP ACAP	-0.93	2.81	8.41	32.39	15.91	16.01	13.60	11.70	12.76
BENCHMARK*	-1.90	0.75	3.59	24.06	9.40	10.41	9.30	7.86	8.67
ALPHA	0.97	2.06	4.82	8.33	6.51	5.60	4.30	3.84	4.09

\* S&P ASX All Ordinaries Accum \*\* May-98

At ECP, we think the only way to grow wealth that is resilient and sustainable, is to invest money in a careful, considered and committed way - we call this 'active' investing.

### Investment Philosophy

**Our philosophy is based on the belief that the economics of a business drives long-term investment returns.**

*When assessing companies, we focus on*

- 1) Valuing potential, not just performance;
- 2) Choosing high-quality, growing businesses; and
- 3) Ignoring temporary market turbulence.

*Our portfolio companies have*

- ✓ Organic growth with predictable earnings
- ✓ A sustainable competitive advantage
- ✓ High returns on invested capital
- ✓ A Strong financial position
- ✓ An experienced management team



### Monthly Comment

During the month MP1 took the opportunity to raise A\$60m to fund further growth. MP1 are continuing to expand their network fabric into other regions, with a particular focus on Japan at the moment given the size of the market opportunity. At the most recent operational update the company showed that it continues to execute in line with our investment thesis by adding more data centres and growing the number of services per port. Now that the capital raising is complete, the company is sufficiently capitalised to take it through to breakeven at a group level.

APT - despite a strong business update reported to the market in December, APT came under pressure following sceptical research by a major brokerage house calling out the credit risks embedded in the business model. Whilst no lending business is without credit risk, we believe APT's business model remains misunderstood and lower risk than is widely accepted. We see no change to our long-term investment thesis with Afterpay early in its penetration of the US and UK markets.

### Recent Publication

### From the Chairman's Desk

Manny Pohl reflects on the year that has passed, along with some insightful commentary on recent portfolio additions. Go to [ecpam.com](http://ecpam.com) for the full article.