



Barrack St Investments Limited

Chairman's Address – Annual General Meeting

Friday 15 November 2019

Ladies and Gentlemen, it gives me great pleasure to present the sixth Annual Chairman's Report of Barrack St Investments Limited.

THE YEAR IN REVIEW

At 30 June 2019, the Net Assets of the Company increased by \$1,209,391 (5.7%) due to the strong performance of the portfolio. This is after paying fully franked dividends throughout the year of \$641,132 (3.0% of FY18 net assets). The All Ordinaries Index showed volatility during the year and finished up 6.5%. External factors contributed to market movements, including, trade tensions between the US and China and the Royal Commission into the banking sector.

THE MARKET OUTLOOK

Opportunities in the new financial year remain uncertain and as business, consumers and the markets react to threats – real or imagined – the task at hand requires a disciplined and patient commitment to the investment process – a process employed by our Manager - ECP Asset Management – and this is fundamental to the success of our business. The focus on companies in the portfolio remains on intrinsic capabilities and competitive advantages they have, to deliver performance over the long-term. As a Board, we believe that the performance since inception of 13.8% compared to an increase in the All Ordinaries Index of 3.7% is testimony of the investment philosophy successfully implemented by the Manager - ECP Asset Management.

THE INVESTMENT MANAGEMENT TEAM

ECP Asset Management, led by Dr Manny Pohl AM (Chief Investment Officer) manages the portfolio of investments of the Company. Manny has a long and successful track record in investment management and I would like to thank Manny and his team for their outstanding contribution.

THE FUTURE

The Company continues its active promotion to encourage new shareholders to invest to further grow the value of the Company. To this end, an agreement has been entered into with Copia to expand the reach into the market of retail investors.

In addition, the Board has resolved that the name of the Company be changed from Barrack St Investments Limited to ECP Emerging Growth Limited. The Board is of the view that a change of Company name will assist in attracting more retail investors as it better associates this Company with the Manager.



It is anticipated that the change of name and the appointment of Copia referred to earlier, will also assist in narrowing the gap between the share price and the Net Tangible Asset Value per share (NTA) of the Company. It is noted that the code “ECP” has been reserved with ASX and the change of code from “BST” to “ECP” will take place once ASIC has issued the certificate of change of name of the Company.

This change of name is the subject of Special Business and will be dealt with later in the meeting when the members are required to approve the change of name.

DIVIDEND

In line with the strong performance of the Company’s investments, the Board continues to pay the highest dividends whilst exercising prudence and caution. The overall dividend for the year of 3.25 cents per share, fully franked, represents a dividend yield of 3.3%. These dividends have a LIC attributable amount attached which is an enormous tax benefit to Shareholders, depending on their circumstances, and the Board will endeavour to pass this on as and when the LIC gains are available.

THE BOARD

Your Board remains optimistic about the future and in our view, companies with good strong management and healthy balance sheets will continue to perform well and reward our Shareholders over the longer term. I look forward to your continued support.

Finally, I wish to thank my fellow Board members, Company Secretary and also the Manager - ECP Asset Management for their input and support in the past year and we, (including myself as Chairman) look forward to the year ahead.

Murray d’Almeida

Chairman

15 November 2019