

SHAREHOLDERS' QUARTERLY REPORT

DECEMBER 2019

OBJECTIVE

Long-term capital growth and income

STRATEGY

High-conviction portfolio of quality Australian listed small to mid-cap companies constructed using a research driven, bottom-up investment philosophy

DIVIDEND INFORMATION

(Cents per share, fully franked)

2.25 cps on 13 September 2019
1.50 cps on 20 March 2019
2.00 cps on 21 September 2018
1.25 cps on 23 March 2018

COUNTRY WHERE LISTED

Australian Securities Exchange:
Inception 14 August 2014

STOCK EXCHANGE CODE

ASX: ECP

RATINGS

• Independent Investment Research
– Recommended¹

DIRECTORS

Murray d'Almeida
Chairman

David Crombie AM
Independent

Jared Pohl
Non-Independent

COMPANY SECRETARY

Brian Jones

COMPANY DETAILS

ECP Emerging Growth Limited
ACN 167 689 821

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ecpeg.com

PORTFOLIO PERFORMANCE

	3 m	1 Y	3 Y	5 Y	INCEPTION
ECP Portfolio [^]	3.4%	41.8%	18.7%	15.6%	15.2%
ASX All Ordinaries Index	0.0%	19.1%	6.0%	4.8%	3.6%
[^] Source: ECP Asset Management. Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns.					

During the quarter, the Company's Net Tangible Asset Value (NTA), as at 31 December 2019 (before estimated tax on unrealised gains) grew by +1.9%, closing at 136.9 cents per share. This compares with a 0.03% increase in the ASX All Ordinaries Index over the same period.

INVESTMENT ACTIVITY

During the quarter, we added Carbon Revolution (ASX: CBR) to the portfolio. Carbon Revolution is an advanced manufacturing company that develops single-piece carbon fibre wheels for OEMs. The company has the potential to become the world's leading carbon-fibre OEM supplier, with the company demonstrating clear momentum in growth in wheels, an increasing number of OEM relationships, and significant investment in automated manufacturing.

MARKET COMMENTARY

Equity markets closed out 2019 with another strong quarter by year-end. Throughout the world, continued support from central banks and strong consumer confidence saw headwinds of trade uncertainty and a declining manufacturing sector being mitigated. The geopolitical risks prevalent throughout the year faded during the quarter, resulting in improved investor confidence. The US rebounded on the back of the first phase of the trade deal with China, while the political arena in Europe appears more favourable.

The US economy has continued to expand with unemployment declining to 3.5%, the lowest rate seen since 1969. Inflation was ahead of expectations, with the Federal Reserve stating that "the current stance of monetary policy is appropriate". Regarding US-China trade, negotiations have continued with the first phase of negotiations meaning the new planned tariffs will not go ahead, while the previous quarters' tariffs will be reduced by half. China has agreed to increase its purchase of US goods, with agricultural products being a key beneficiary. The S&P500 posted +8.5%, the Dow Jones +6.0% and the NASDAQ +12.2%.

In Europe, equities advanced toward the end of the year following robust German economic data. Christine Lagarde took over as President of the European Central Bank while Boris Johnson led a landslide general election victory for the incumbent Conservative Party. While all signs indicated the UK was heading for a recession, recent figures showed that the UK had avoided a technical recession with economic growth returning to the country. The German Dax posted +6.6%, the French CAC posted +5.3%, and the UK's FTSE posted +1.8% by quarter-end.

In Australia, Bushfires have been the primary concern domestically with large parts of south-east Australia being affected. The economic impact is highly uncertain, with much of the country still battling one of the worst natural disasters for some time. While the bushfires have had a limited direct economic impact, the indirect costs are mounting as tourism, agriculture and significant city pollution become key concerns. During the quarter, exports were better than expected with the trade surplus beating expectations. Consumer and business confidence remained high, with retail sales showing strength, while dwelling prices continued to improve as they accelerated into the final quarter. The Australian market posted negligible gains, with the ASX All Ords posting +0.03% for the quarter, and the Small Ordinaries posting +0.1%.

The AUD saw a mixed performance, posting +3.9% against the US Dollar (70.2 US cents), -3.6% against the Pound (52.9 pence), and +1.1% against the Euro (62.6 cents), by quarter-end.

PORTFOLIO CHARACTERISTICS (as at 31 December 2019)

NTA (Before tax on unrealised gains) – Total	\$25,081,328
NTA (Before tax on unrealised gains) – Per Share	136.9 cents
Concentration of the Top 20 Holdings	83.0%
Number of Portfolio Positions	25

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ECP ASSET MANAGEMENT

ABN 68 158 827 582

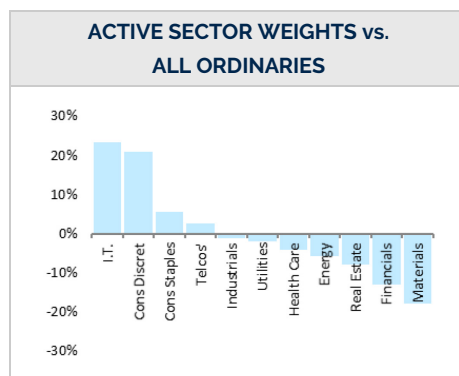
Our Investment Philosophy is based on the belief the economics of a business drives long-term investment returns. This is expressed through our investment process

- ✓ Valuing potential, not just performance
- ✓ Choosing high-quality growing businesses
- ✓ Ignoring temporary market turbulence

PORTFOLIO BREAKDOWN

SECTOR ALLOCATION	
Consumer Discretionary	25.1%
Information Technology	23.6%
Financials	12.7%
Cash	10.8%
Consumer Staples	9.9%
Industrials	6.7%
Telecommunications	6.1%
Health Care	5.1%

TOP HOLDINGS	
Domino's Pizza Enterprises	8.2%
SEEK Limited	6.7%
Corporate Travel Limited	6.6%
Afterpay Limited	6.1%
MegaPort Limited	5.9%
Carsales.Com Ltd	5.2%
Pendal Group Ltd	5.1%
HUB24 Ltd	4.7%



QUARTERLY PORTFOLIO CHANGES	
ADDITIONS	
Carbon Revolution	CBR
REMOVALS	

UPDATE: PARTNERSHIP WITH COPIA & NEW COMPANY NAME

During the quarter, the Company's Investment Manager signed an exclusive partnership with Copia Investment Partners, a multi-boutique investment group with two decades of experience in raising the profile and investor base of investment managers. Copia will focus on building the profile and footprint of ECP Asset Management and ECP Emerging Growth Limited.

During the quarter the Board also agreed to change the name of the Company from Barrack St Investments Limited to ECP Emerging Growth Limited. Together with Copia to help market the Company, the change of name will help raise the profile and awareness of the Company by specifically referencing the Investment Manager and its expertise in selecting Australian growth companies.

ECP Emerging Growth Limited is committed to growing the Company and promoting itself to Investors, Financial Advisers, Stockbrokers and Investor Associations across Australia. Please contact the Company for further information through info@ecpam.com.

VISIT THE WEBSITE

The Company has a website which has additional information about ECP Emerging Growth Limited and links to Announcements and Reports at www.ecpeg.com. Shareholders and interested observers may also wish to visit the website of the Investment Manager at www.ecpam.com for information regarding the investment team, process and other insights.

Subscribe to our latest updates through www.ecpeg.com

STRUCTURE AND TERMS

Dividend Reinvestment Plan	Dividend Reinvestment Plan (DRP) is an optional way of reinvesting dividends to acquire additional shares. When new shares are issued under the DRP, they are free of brokerage, commission, stamp duty and other costs.
Legal Domicile	Australian Securities Exchange (ASX) Listed Investment Company (LIC)
Fees	Management Fee of 1.0% p.a. Performance Fee 20% of the annual outperformance over 8.0%.
MER ²	1.04%
Reporting and Correspondence	Monthly Net Tangible Asset Values www.asx.com.au and Quarterly Reports, Half-Yearly and Annual Reports on www.ecpeg.com
Auditor	WPIAS Pty Ltd
Registry	Boardroom Pty Limited - 1300 737 760 OR enquiries@boardroomlimited.com.au
Share price and NTA	www.asx.com.au and www.ecpeg.com

¹ This opinion is provided by Independent Investment Research and must be read together with the whole report including the disclaimer and relevant legal notices which can be found at www.independentresearch.com.au
² Calculated in accordance with ASX defined terms as at 30 June 2019

1 Initial Screening

Our filters exhibit ROE > 15%, Interest Cover > 4x and Revenue > GDP.

2 Fundamental Analysis

Understand the business model, look for organic growth opportunities that have a sustainable competitive advantage.

3 Portfolio Weighting

5Yr Risk Adjusted Total Return.

4 High Conviction

A concentrated portfolio of high-quality stocks.

