



## **ECP EMERGING GROWTH LIMITED**

*(Formerly Barrack St Investments Limited)*

### **APPENDIX 4D STATEMENT**

For the Half-year Ended 31 December 2019

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## ECP EMERGING GROWTH LIMITED

(Formerly Barrack St Investments Limited)

### APPENDIX 4D STATEMENT

Results for announcement to the market

The reporting period is the Half-year ended 31 December 2019, with the corresponding period being 1 July 2018 to 31 December 2018.

### SUMMARY OF RESULTS

Investment Portfolio increased by 14.0% compared to ASX All Ordinaries index which increased by 1.5%. The performance has had a very positive impact on the statement of Comprehensive income compared to the comparison year, in which ASX All Ordinaries declined 9.2%.

	2019 \$	2018 \$	Movement %
Revenue from ordinary activities	190,566	246,157	(22.6%)
Realised and Unrealised gains/(loss) on investments	2,994,412	(1,527,558)	296.0%
Net Profit/(loss) after tax attributable to members	1,923,958	(1,261,980)	252.5%
Comprehensive Income/(Loss) (after tax) attributable to members	1,923,958	(1,261,980)	252.5%
Basic earnings per share (cents)	10.50	(6.89)	252.4%
Comprehensive Income/(Loss) per share (cents)	10.50	(6.89)	252.4%
Net Tangible Asset backing (NTA) per share (tax on realised gains only) (Cents)	136.9	125.5	9.1%

### DIVIDEND

#### *Interim Dividend per share*

The Directors have resolved to pay an interim dividend of 1.75 cents per ordinary share fully franked which will be paid on 20 March 2020.

The record date to determine entitlements to the interim dividend      04 March 2020

#### *Previous corresponding period*

Interim Fully Franked Dividend paid on 20 March 2019 1.5 cents

#### *Dividend Reinvestment Plan*

The Dividend Reinvestment Plan (DRP) will apply to this interim dividend with the price determined by the Directors. The last date for the receipt of an election notice for participation in the DRP will be at close of business on 05 March 2020. There is no foreign conduit income attributable to the dividend.

#### *Capital Gains Components*

The capacity of the Company to facilitate access to the capital gain benefit of the dividend will depend on the Company's capacity to generate capital profits. The interim dividend will include a capital gain component.

## REVIEW OF OPERATIONS

During the last six months, realised gains on the sale of investments amounted to \$1,034,853 which is a \$567,682 increase on last year and after accounting for the unrealised gains in the portfolio and expenses, the Net Profit after Tax amounted to \$1,923,958.

During the period dividends in the amount of \$190,552 were received, this is a decrease of \$55,437 on the prior year. The reduced dividends is the product of a change in the portfolio of investments with dividend yield from Magellan Financial Group (FY19 \$46,854) a large portion of the year-on-year decrease.

Compared to the volatility of last year the Australian equities market was very stable through the first six months of the 2019/2020 financial year. Quarterly gains in the ASX All Ordinaries index were minor while the Company's portfolio performed extremely well increasing by 14.0% over the period.

### *Portfolio Performance*

	1 <sup>st</sup> Qtr to Sept 19	2 <sup>nd</sup> Qtr to Dec 19	6 mths to Dec 2019	12 mths to Dec 2019	Since Inception (23 Jan 2014) p.a.
Portfolio	10.3%	3.5%	14.0%	41.8%	15.2%
ASX All Ordinaries	1.5%	0.0%	1.5%	19.1%	3.6%

Due to the performance noted above Net Assets of the Company at 31 December 2019 compared to 30 June 2019 have increased, from \$22,433,915 to \$23,945,717 and the NTA per share (tax on realised and unrealised gains) increased 6.7% from 122.5 cents to 130.7 cents after paying the FY19 final dividend of 2.25 cents per share in September 2019.

## MARKET COMMENTARY

Australia has continued its world-beating 28 year run of economic growth; however, strains are beginning to appear with our economy currently growing at an annual rate of 1.7%. GDP growth has been stimulated primarily by population growth while productivity growth has languished. Government spending has provided a base during 2019 and will continue to do so, while growth in Sydney and Melbourne house prices have provided stability in this sector which will hopefully translate into additional home building in the future.

The new year started on a positive note as central banks are predicted to maintain easy monetary conditions favourable to the equities market, which should remain relatively buoyant with minimal "noise" emanating from the local political climate. The uncertainty lies in consumption expenditure and how the interplay between unemployment and wage growth will evolve, while the full impact of the Australian bushfires and Chinese Coronavirus outbreak is yet to be understood.

## OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, WPIAS Pty Ltd.

All the documents comprise the information required by ASX listing Rule 4.2A.3.

This information should be read in conjunction with the Company's most recent Annual Financial Report.

For any queries, please contact:

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