



## **ECP EMERGING GROWTH LIMITED**

### **APPENDIX 4D STATEMENT**

For the Half-year Ended 31 December 2020

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## ECP EMERGING GROWTH LIMITED

### APPENDIX 4D STATEMENT

Results for announcement to the market

The reporting period is the Half-year ended 31 December 2020, with the corresponding period being 1 July 2019 to 31 December 2019.

### SUMMARY OF RESULTS

In the six months to 31 December 2020 the Investment Portfolio performance was 34.2% compared to ASX All Ordinaries Index which increased by 14.2%. The performance has had a very positive impact on the Statement of Comprehensive Income compared to the comparison year increasing Total Comprehensive Income net of tax by \$3,595,578.

	2020 \$	2019 \$	Movement %
Revenue from ordinary activities	138,218	190,566	(27.5)%
Realised and Unrealised gains/(loss) on investments	8,823,786	2,994,412	194.7%
Net Profit/(loss) after tax attributable to members	5,519,536	1,923,958	186.9%
Comprehensive Income/(Loss) (after tax) attributable to members	5,519,536	1,923,958	186.9%
Basic earnings per share (cents)	30.13	10.50	187.0%
Comprehensive Income/(Loss) per share (cents)	30.13	10.50	187.0%
Net Tangible Asset backing (NTA) per share (tax on realised gains only) (Cents)	173.1	136.9	26.4%

### DIVIDEND

#### *Interim Dividend per share*

The Directors have resolved to pay an interim dividend of 2.0 cents per share which will be fully franked and will be paid on 12 March 2021.

The record date to determine entitlements to the interim dividend      26 February 2021

#### *Previous corresponding period*

Interim Fully Franked Dividend paid on 20 March 2020 1.75 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 01 March 2021. 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 and special dividend will include a capital gain component.

## REVIEW OF OPERATIONS

During the last six months, realised gains on the sale of investments amounted to \$3,695,348 which is a \$2,660,495 increase on last year. After accounting for the unrealised gains in the portfolio and expenses, the Net Profit after Tax amounted to \$5,519,536.

The significant increase is due to the exceptional investment performance over the last six months, which is illustrated in the table below. Building on the result of FY2020, the portfolio performance for the first half of FY2021 was a positive 34.2% compared to the ASX All Ordinaries Index of 14.2%. The outcome of the year to date performance being Total Assets growing to \$34,021,393 from \$27,195,294 at the end of June 2020.

### *Portfolio Performance*

	6 mths to Dec 2020	12 mths to Dec 2020	2 years	5 years	Since Inception (23 Jan 2014) p.a.
ECP Portfolio	34.2%	44.4%	43.1%	18.3%	19.5%
ASX All Ordinaries	14.2%	0.7%	9.5%	5.1%	3.2%

## Market Commentary

At the end of December 2020, the Australian economy was in a better position than was anticipated in the middle of the year. In simple terms, the COVID-19 support measures of Jobkeeper and Jobseeker have stimulated private consumption expenditure leading to a recovery in the economy and the recession caused by COVID-19 lockdowns.

A number of other factors have further supported the recovery including the stimulus measures, tax cuts and infrastructure spending released as part of the Federal budget, the positive progress in vaccine development and the outcome of the US election and subsequent US stimulus. The only shadow on Australian conditions remains the trade tensions with China which, for the moment, have not escalated further.

Globally, the outlook for 2021 is still uncertain. Positivity generated from the rollout of COVID-19 vaccinations and the northern hemisphere entering warmer months is hampered by cluster outbreaks and the unknown impact of new COVID strains. In Australia, it appears that policy makers will continue to support the economic recovery, with any health-related set-back to be met with further government spending. In a situation where Australia maintains low infection rates and the economic support contributes to lower unemployment and increase consumer and business confidence it could be a positive year for the Australian economy.

## OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, Connect National Audit 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.

Authorised for announcement by the Board.

For any queries, please contact:

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