



## **Chairman's Address – Annual General Meeting**

**Thursday 18 November 2021**

Fellow Shareholders, Ladies and Gentlemen, it gives me great pleasure to present the Annual Chairman's Report of ECP Emerging Growth Limited.

### **THE YEAR IN REVIEW**

It is remarkable to consider the current market position against the outlook from 12 months ago. Prior to July 2020 we witnessed an unprecedented market decline and hopeful recovery while countries grappled with the world-wide pandemic. The future prospects of the economy, at home and abroad, relied heavily on the ongoing co-ordinated stimulus from the Government and the Federal Reserve. Health officials were nervous, businesses were defensive, consumers were cautious, we braced ourselves for an unknown future.

As the financial year progressed, job keeper and job seeker packages helped maintain employment and targeted stimulus in housing and infrastructure have assisted key areas of the economy with the additional boost as demand for mining output remained high. And, while there was a lot of speculation of what would happen as the stimulus measures were withdrawn, the reality has proven to be that trading returned to sustainable levels and the perceived cliff-face was avoided.

In the second half of the year equity markets witnessed a growth to value rotation. This sentiment feature has an impact on our portfolio as the investment process favours growth companies. While the performance in the second half of the year was not as strong as the first half, the full year portfolio performance result of positive 50.5% is incredibly pleasing and adds to the since inception performance which is now 19.9%, 15.4 percentage points higher than the ASX All Ordinaries Index over the same period of time.

### **DIVIDEND**

Due to the performance of the portfolio, the Board rewarded our loyal Shareholders with a FY21 final dividend payment of 2.75 cents per share. This is an increase to last year's Ordinary (0.6cps) plus Special (1.65cps) dividend of 22.2%. The Final dividend was fully franked and was fully attributable to LIC capital gains. The overall dividend declared for the FY2021 year was 4.75 cents per share, this is a 18.75% increase on the prior year.

I would like to highlight that our franking account and our retained earnings provide us with an enviable buffer to pay future dividends.

# ECP

## INVESTMENT MANAGEMENT TEAM

The ongoing performance of the Company is a direct result of the consistent and disciplined efforts of the Manager, ECP Asset Management. I wish to acknowledge and thank Dr Manny Pohl AM (Chief Investment Officer), Jared Pohl (Portfolio Manager) and the team for their dedication to the investment process and their reliable stewardship of our assets which generated such outstanding returns.

## THE BOARD

I wish to record my appreciation for my fellow Board members for their support and input throughout the past year. I would also like to pass on my thanks and gratitude to Brian Jones who resigned as Company Secretary in July 2021. Brian has supported the Company since inception in the capacity of Company Secretary and has also served as Chief Financial Officer. His contribution in terms of governance and Board support has been extremely valuable in the efficient running of the Company. We wish him all the best in his future endeavours.

In conclusion, I sincerely thank our Shareholders for their on-going support. Long-term, supportive shareholders are the backbone of any business, they understand the operations, command management accountability and focus on long-term results, we are humbled to serve our dedicated Shareholders.



**Murray d'Almeida**

Chairman

18 November 2021