



ECP EMERGING GROWTH LIMITED

APPENDIX 4D STATEMENT

For the Half-Year Ended 31 December 2021

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Results for announcement to the market

Appendix 4D Accounts

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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 2021, with the corresponding period being 1 July 2020 to 31 December 2020.

SUMMARY OF RESULTS

In the six months to 31 December 2021 the Investment Portfolio performance was 4.2% compared to ASX All Ordinaries Index which increased by 2.6%. Portfolio performance continues to exceed the index, however is substantially less than the corresponding period result of 34.2%.

	2021 \$	2020 \$	Movement %
Revenue from ordinary activities	183,607	138,218	32.8%
Realised and Unrealised gains/(loss) on investments	1,720,115	8,823,786	-80.5%
Net Profit/(loss) after tax attributable to members	1,130,246	5,519,536	-79.5%
Comprehensive Income/(Loss) (after tax) attributable to members	1,130,246	5,519,536	-79.5%
Basic earnings per share (cents)	6.17	30.13	-79.5%
Comprehensive Income/(Loss) per share (cents)	6.17	30.13	-79.5%
Net Tangible Asset backing (NTA) per share (tax on realised gains only) (Cents)	180.2	173.1	4.1%

DIVIDEND

Interim Dividend per share

The Directors have resolved to pay an interim dividend of 2.1 cents per share which will be fully franked and will be paid on 15 March 2022.

The record date to determine entitlements to the interim dividend 01 March 2022

Previous corresponding period

Interim Fully Franked Dividend paid on 12 March 2021 2.0 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 02 March 2022. 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, dividends received amounted to \$183,606 which is a \$46,377 (or 33.8%) increase on last year. However, the portfolio has only moderately increased during the half-year due to high PE (Price/Earnings) growth stocks coming under pressure in an environment of rising inflation and increased interest rates. This is seen in the Statement of Profit or Loss where profit for the period is \$1,130,246 compared to \$5,519,536 last year.

The impact on the portfolio is not isolated to ECP Emerging Growth Limited. In the six months to December 2021 the ASX Small Ordinaries Index has increased by 4.3% compared to 18.9% last year. The ECP Emerging Growth portfolio performance is positive 4.2% for the financial year to date, the long-term performance (5yrs) is 23.4% compared to the ASX Small Ordinaries index which has increased by 8.2%.

Portfolio Performance

	6 mths to Dec 2021	12 mths to Dec 2021	2 years	5 years	Since Inception (23 Jan 2014) p.a.
ECP Portfolio	4.2%	16.9%	29.9%	23.4%	19.1%
ASX Small Ordinaries	4.3%	14.2%	10.4%	8.2%	6.4%

MARKET COMMENTARY

In Australia over the past six months the focus has been on the vaccine rollout to provide a buffer to the effects of COVID-19. New variants of the virus including Omicron serve as a reminder that the pandemic is not over yet and therefore an uninterrupted "normal" is still a mirage in the distance. In business news a few key themes have rotated in the headlines, including: supply chain disruption from low inventories, semi-conductor chip shortages, AdBlue shortages or labour shortages, rising inflation also featured and the forecast impact on interest rates.

In 2022 while corporate earnings appear robust, it is expected that markets will remain volatile, impacted by the developments in the pandemic and macro-economic conditions. For ECP Emerging Growth Limited the focus remains on creating Shareholder wealth through active management of the investment portfolio. This is executed by the manager, ECP Asset Management Pty Ltd through the disciplined implementation of the investment process. To read more about the investment process, please visit the manager's website ecpam.com.

SUBSEQUENT EVENTS

As at 31 January 2022 the net tangible assets of the Company have decreased by 14.3% which is representative of market conditions. The ASX Small Ordinaries index decreased by 9.0% during January 2022 amid continued inflation concerns and forecasted increases in interest rates

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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