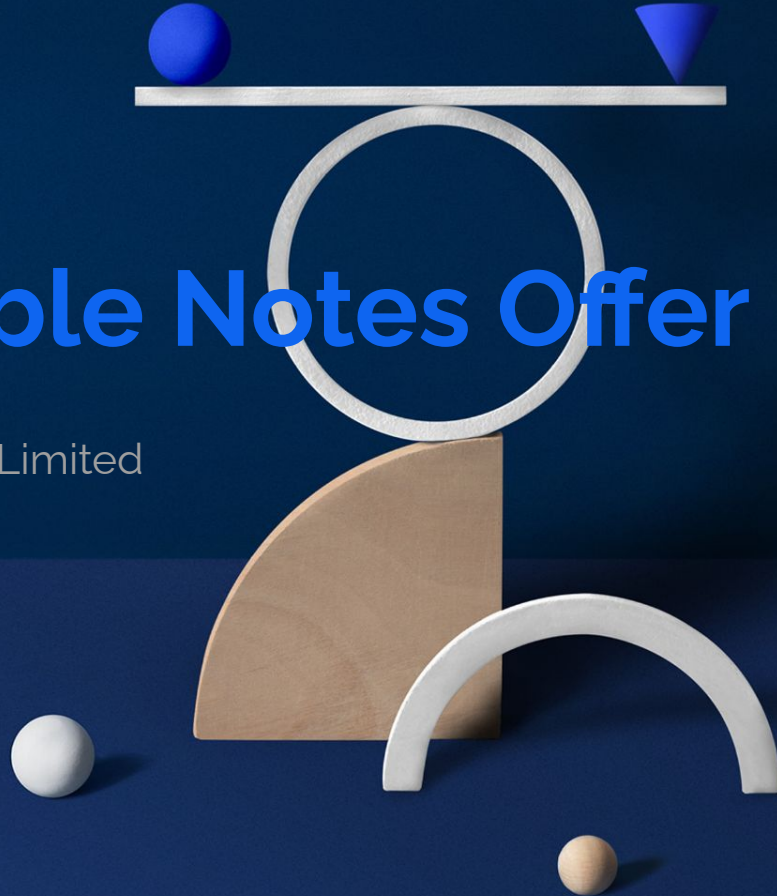


Convertible Notes Offer

ECP Emerging Growth Limited



Company Profile

Issuer

ECP Emerging Growth Limited [ACN 167 689 821] (ECP) is a Listed Investment Company traded on the ASX.

Manager

The portfolio is managed by ECP Asset Management Pty Ltd (ECPAM).

Approach

The investment strategy centres on the view that the economics of a business drives long-term investment returns and investing in high quality business franchises that have the ability to generate predictable, above-average economic returns will produce superior investment performance over the long term.

The Offer

Offer Summary

Notes	Redeemable, unsecured, unsubordinated, convertible notes.
Offer Size	Up to \$12.5 million.
Lead Manager	Taylor Collison
Purpose	Proceeds of the Offer will be invested in the existing ECP portfolio and used to pay the costs associated with the Offer. Leveraging the portfolio performance since inception the additional funds provide an opportunity for the Company to grow, compounding a larger asset base and benefiting from economies of scale.
Benefits	The ECP Notes will provide investors with a fixed income return of 5.5% per annum paid quarterly plus a conversion option to capitalise on share price appreciation.

Key Terms of the Notes

Security	Redeemable, unsecured, unsubordinated, convertible notes, trading as ECPGA.
Issue Date	11 April 2022
First Step-Up Date	11 April 2025
Maturity Date	11 April 2027
Issue Price / Face Value	\$1.43
First Interest Payment Date	30 June 2022
Interest Rate	From the Issue Date until the First Step-Up Date: Fixed at 5.5% per annum; if at the First Step-Up Date the 2-year Bank Bill Swap rate is above 2.5859% then increasing to 6.5% per annum.
Conversion Amount	Notes can be converted to Ordinary Shares on a 1 for 1 basis.

Key Dates

Priority Offer Record Date	3 March 2022
Offer Announced	4 March 2022
Offer Opening Date	15 March 2022
Offer Closing Date	1 April 2022
Settlement Date	8 April 2022
Allotment Date	11 April 2022
Commencement of Trading on the ASX	18 April 2022

How to Apply

Further information is available online:

ecpam.com/emerging/notes-offer

Broker Firm Contact

Hamish Nairn

Taylor Collison Limited

+61 8 8217 3908

Shareholder Contact

info@ecpam.com

1800 352 474

Performance & Team

Portfolio Performance

Historical Performance to 28 February 2022

	6m	1y	3y	5y	Inception
ECP Portfolio	-20.24	-3.44	20.21	20.09	15.81
S&P ASX Small Ords Accum	-9.14	5.02	10.93	9.35	8.05
Alpha	-11.10	-8.46	9.68	10.74	7.76

Past Performance is not a reliable indicator of future performance. The total return figures quoted are historical, calculated using end-of-month prices and do not allow the effects of tax or inflation. Total returns for the benchmark do not incur costs. Returns assume the reinvestment of all dividends. ^Inception of the ECP Emerging Growth Company is 2014-07-31.

Investment Team



Dr Manny Pohl AM

Co-Founded ECP in 2012
Joined Industry in 1989



Andrew Dale CA

Joined ECP in 2014
Joined Industry in 2001



Damon Callaghan CFA

Joined ECP in 2017
Joined Industry in 2011



Justin Warton

Joined ECP in 2021
Joined Industry in 2014



Jared Pohl MBA

Co-Founded ECP in 2012
Joined Industry in 2006



Sam Byrnes CFA

Joined ECP in 2016
Joined Industry in 2008



Jason Pohl MBA

Joined ECP in 2013
Joined Industry in 2013



Justin Breen

Joined ECP in 2021
Joined Industry in 2012

Investment Philosophy & Process

Our Investment Philosophy

The economics of a business drives long-term investment returns.

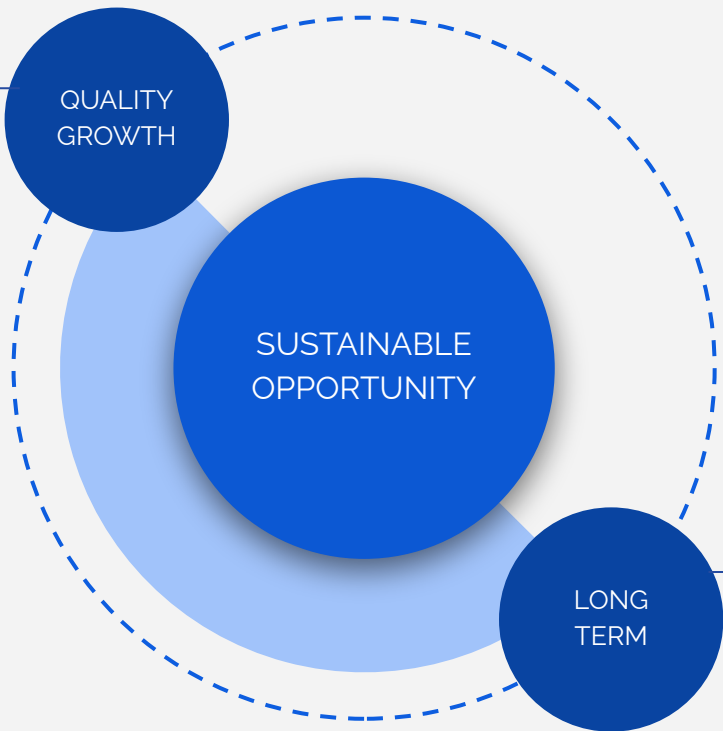
Investing in **high quality, growth businesses**, that have the ability to generate predictable, above average economic returns will produce superior investment performance over the long-term.

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

Market Inefficiencies We Exploit

Growth Anomaly

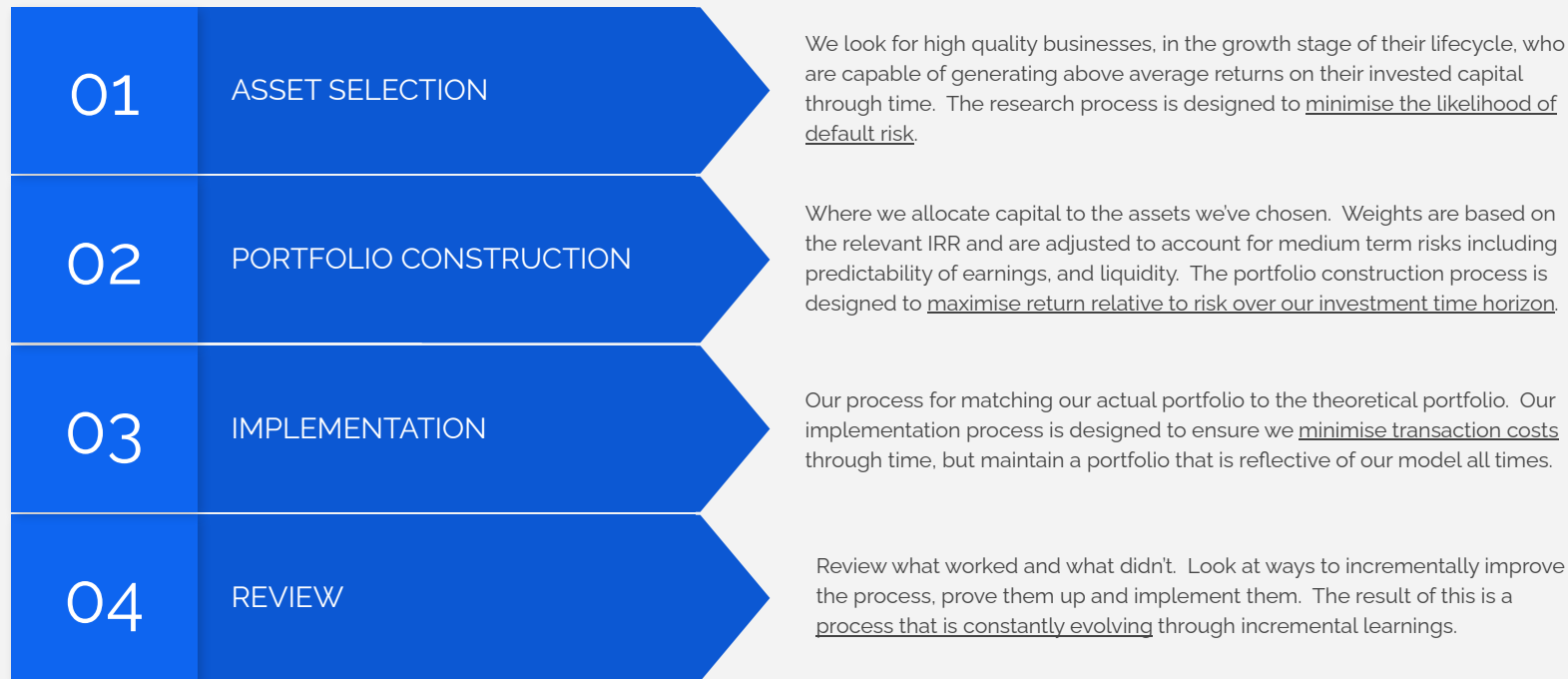
On average the market **undervalues** extremely high-quality, capital efficient, organic growth businesses.



Time Arbitrage

The market tends to **overemphasize** temporary themes and short-term factors.

Investment Process & Outcomes

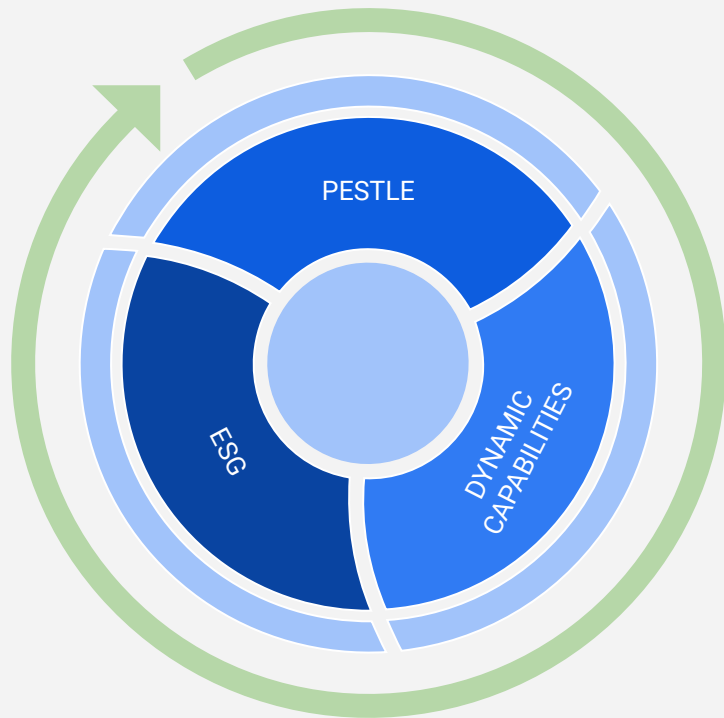


ESG & Sustainability

We view sustainability holistically. Our pillar framework aims to ensure we better understand the risks and opportunities that lie ahead for any company, and the risk to the predictability of business operations.

Our Sustainability Pillar encompasses 3 characteristics:

1. The business operates in an industry with a low risk of macro-environmental factors (PESTLE) affecting future operating performance.
2. The business has demonstrated strong ESG practices and holds a capacity to mitigate potential ESG issues.
3. The business holds Dynamic Capabilities that sustainably renews its competitive advantage through time.



Outcomes

High Active Orientation

Active Orientation is a useful guide to how 'active' a manager actually is.

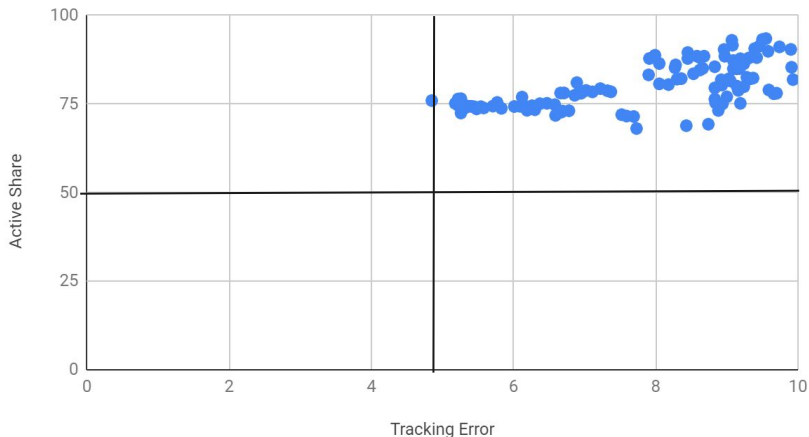
It is a measure of:

1. the uniqueness of the ideas in the portfolio (active share); and
2. how those ideas are expressed in the portfolio.

Active managers should be sitting in the upper right quadrant (high active share / tracking error).

This can be achieved mainly through concentration, so it is important to look further in to the drivers of this and the payoff received.

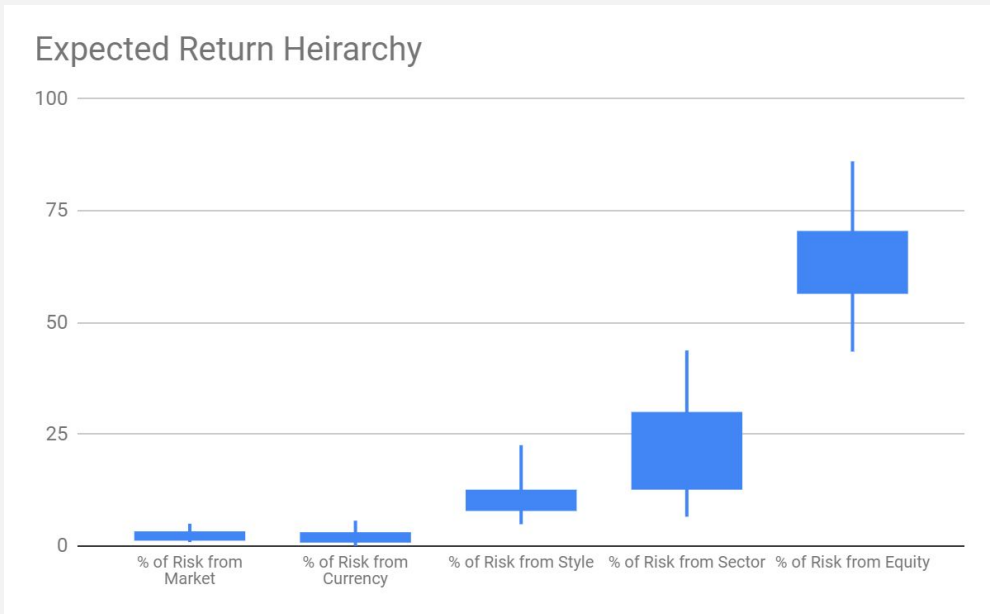
Active Orientation



Equity the Expected Driver of Returns

Stock Selection drives the majority of the risk in the portfolio.

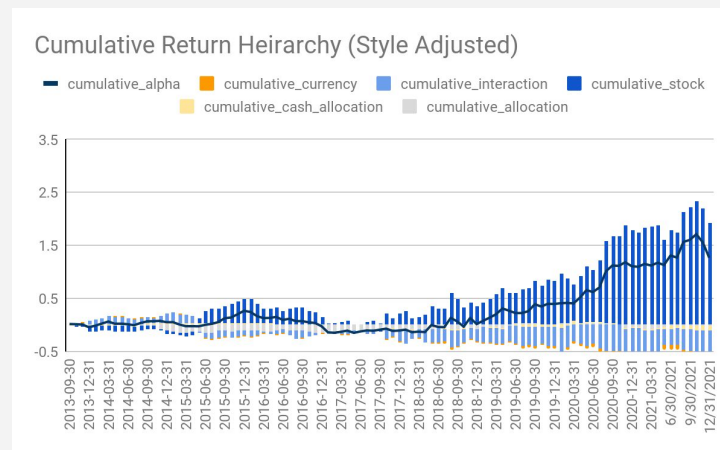
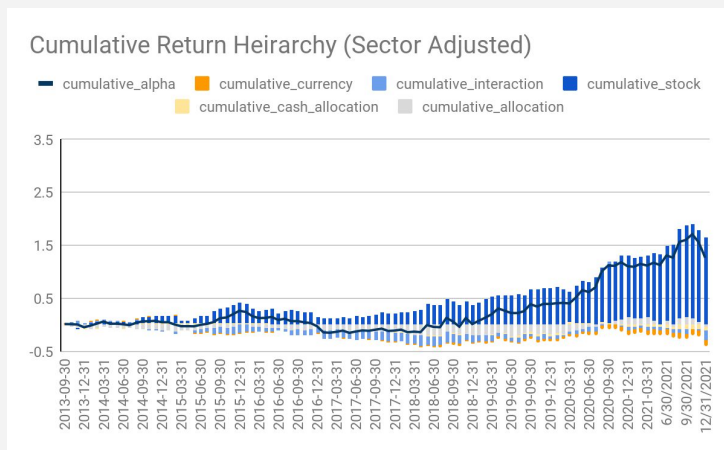
An Ex Ante tracking error decomposition shows that the majority of our tracking error is derived through our equity exposure as opposed to market, style or sector allocations.



Equity the Realised Driver of Returns

Historical returns attribution to our alpha show that stock selection accounts for majority of total cumulative alpha. On a sector adjusted basis, stock selection 130% of total alpha impacted mainly by currency effect. On a factor adjusted basis stock selection drives about 152% of the active return, impacted mostly by the interaction effect.

NB. What is seen ex post is equivalent to what is expected ex ante.



Emerging Companies Fund vs. the Small Ords Accumulation; Source: Foresight Analytics

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