

SHAREHOLDERS' QUARTERLY REPORT

MARCH 2024

OBJECTIVE

Long-term capital growth and income

STRATEGY

High-conviction portfolio of quality Australian listed small to mid-cap companies constructed using a research driven, bottom-up investment philosophy.

DIVIDEND INFORMATION

(Cents per share, fully franked)

2.30 cps on 15 March 2024
2.90 cps on 12 September 2023
2.20 cps on 9 March 2023
2.75 cps on 14 September 2022

COUNTRY WHERE LISTED

Australian Securities Exchange:
Inception 14 August 2014

STOCK EXCHANGE CODE

ASX: ECP

RATINGS

• Independent Investment Research – Recommended[†]

DIRECTORS

Murray d'Almeida
Non-Executive Chairman

David Crombie AM
Non-Executive

Jared Pohl
Executive

COMPANY SECRETARY

Scott Barrett

COMPANY DETAILS

ECP Emerging Growth Limited
ACN 167 689 821

Level 4, The Pavilion
388 George Street
Sydney NSW 2000
AUSTRALIA

Tel: 1800 352 474
Fax: +61 7 5574 1457
Email: info@ecpam.com

ecpam.com/emerging

PORTFOLIO PERFORMANCE

	3 m	1 Y	3 Y	5 Y	INCEPTION
ECP Portfolio [^]	14.1%	33.7%	7.7%	17.0%	15.2%
ASX Small Ordinaries Index	6.6%	10.6%	-0.1%	2.6%	3.5%
ASX All Ordinaries Index	4.1%	10.6%	5.1%	5.4%	3.9%

[^] Source: ECP Asset Management.
Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns.

ECP Emerging Growth Limited's Net Tangible Asset Value (NTA) as at 31 March 2024 (before estimated tax on unrealised gains) closed at 178.8 cents per share, this represents an increase of 14.5% on the prior quarter.

INVESTMENT ACTIVITY

During the quarter there were no new positions added and none removed.

MARKET COMMENTARY

In 2024, global stock markets demonstrated robust gains, buoyed by a resilient US economy and expectations of interest rate cuts, though the pace of cuts may be slower than initially anticipated. Central banks moved closer to initiating rate cuts, contributing to declining government bond yields. Despite this backdrop of a "steady as she goes" seeking a soft landing, concerns persist regarding current valuations across equities and credit markets, where the focus remains on corporate profitability and investment resilience through these economic cycles.

US equities experienced robust gains in Q1, supported by strong corporate earnings across various sectors, particularly in communication services, energy, information technology, and financials. While the Federal Reserve exercised caution regarding rate adjustments, data releases showcased the economy's resilience, with solid GDP growth and indicators pointing to expansion. Further, Presidential primaries during the quarter solidified Donald Trump's position as the presumptive nominee of the Republican Party. The S&P 500 posted +10.2%, while the Nasdaq posted +9.1% over the quarter.

In Europe, equities surged, buoyed by signs of improving business activity in the Eurozone, despite cautious remarks from ECB President Christine Lagarde reflecting concerns over continued inflation. In the UK, market sentiment leaned towards anticipating earlier interest rate cuts despite the Bank of England maintaining its policy rate at 5.25%. Annual inflation moderated, and the economy navigated a technical recession, with the UK economy attracting notable overseas inbound bid activity, especially among smaller and mid-sized companies. The FTSE increased by +2.8%, the CAC by +8.8%, and the DAX by +10.39%.

In Asia, equities displayed mixed performance. Japanese equities witnessed a remarkable surge during the first quarter, with foreign investors playing a pivotal role in propelling this rally, driven by growing optimism surrounding Japan's economic cycle marked by modest inflation and wage growth. The Nikkei reached a historic high, surpassing 40,000 yen. In contrast, concerns over China's economic growth and the real estate crisis weighed on Chinese markets, resulting in modest losses. The Shanghai Composite posted +2.23%, the Hang Seng -3.0%, and the Nikkei +20.6%.

In Australia, equities performed robustly across all sectors, supported by gains in real estate, healthcare, materials, and IT. Despite sluggish economic growth, the Reserve Bank of Australia (RBA) opted to maintain its interest rate at 4.35%, citing persistent inflation worries amidst weakening business conditions. The housing market remained resilient, with prices rising, supported by positive net migration and supply dynamics.

The ASX All Ordinaries posted +4.1% for the quarter, ASX 200 +4.0%, and the Small Ordinaries +6.6%, respectively. The AUD depreciated during the quarter, posting -4.4% against the US Dollar (65.1 US cents), -3.5% against the Pound (51.6 pence), and -2.2% against the Euro (60.4 cents).

PORTFOLIO CHARACTERISTICS (as at 31 March 2024)

NTA (Before tax on unrealised gains) – Total	\$32,788,417
NTA (Before tax on unrealised gains) – Per Share	178.8 cents
Concentration of the Top 20 Holdings	93.2%
Number of Portfolio Positions	21

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MANAGER:

ECP ASSET MANAGEMENT

ABN 68 158 827 582

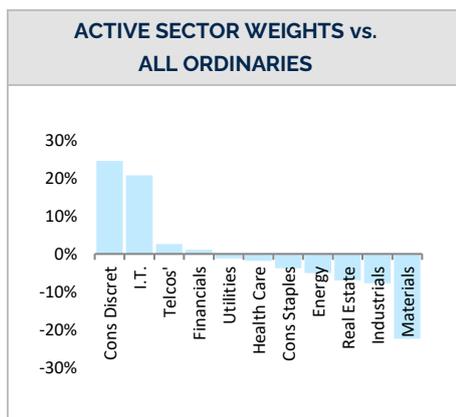
Our Investment Philosophy is based on the belief the economics of a business drives long-term investment returns. This is expressed through our investment process.

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

PORTFOLIO BREAKDOWN

SECTOR ALLOCATION	
Consumer Discretionary	30.2%
Financials	27.3%
Information Technology	23.1%
Health Care	6.9%
Telecommunications	6.6%
Cash	5.8%
Consumer Staples	0.0%
Industrials	0.0%

TOP HOLDINGS	
Lovisa Holdings Ltd	9.4%
GQG Partners	8.4%
HUB24 Ltd	7.8%
IDP Education Ltd	6.8%
Megaport Limited	6.6%
Wisetech Global Ltd	6.4%
Netwealth Group	6.0%
Domino Pizza Enterprises	5.2%



QUARTERLY PORTFOLIO CHANGES	
ADDITIONS	
Nil	
REMOVALS	
Nil	

INVESTMENT MANAGER PROMOTES INVESTOR EDUCATION THROUGH INSIGHTS AND ARTICLES

The Company's Investment Manager ('IM') has been featured in print and digital publications, offering insights into stock specifics and the February Australian reporting season. In addition to publications such as the Australian Financial Review and Financial Standard, the IM has been featured on air on CNBC and ausbiz. The IM continues to share thought leadership through various mediums, such as articles posted on the website and on its 'Redefining Active Investing' podcast, available on all major streaming platforms.

ECP Emerging Growth Limited is committed to growing the Company and promoting itself to Investors, Financial Advisers, Stockbrokers and Investor Associations across Australia.

Please contact the Company for further information through info@ecpam.com or visit our website www.ecpam.com/emerging for links to Shareholder Reports and Announcements.

[Subscribe here to our latest updates](#)

STRUCTURE AND TERMS

Dividend Reinvestment Plan	Dividend Reinvestment Plan (DRP) is an optional way of reinvesting dividends to acquire additional shares. When new shares are issued under the DRP, they are free of brokerage, commission, stamp duty and other costs.
Legal Domicile	Australian Securities Exchange (ASX) Listed Investment Company (LIC)
Fees	Management Fee of 1.0% p.a. Performance Fee 20% of the annual outperformance over 8.0%.
MER ²	1.43%
Reporting and Correspondence	Monthly Net Tangible Asset Values www.asx.com.au and Quarterly Reports, Half-Yearly and Annual Reports at www.ecpam.com/emerging
Auditor	Augmented Audit Co Pty Ltd
Registry	Automic Pty Ltd - 1300 288 664 OR hello@automicgroup.com.au
Share price and NTA	www.asx.com.au and www.ecpam.com/emerging

¹ These opinions are provided by independent researchers and must be read together with the whole report including the disclaimer and relevant legal notices which can be found at the respective websites.

² Calculated in accordance with ASX defined terms as at 30 June 2023

1 Initial Screening

Our filters exhibit ROE > 15%, Interest Cover > 4x and Revenue > GDP.

2 Fundamental Analysis

Understand the business model, look for organic growth opportunities that have a sustainable competitive advantage.

3 Portfolio Weighting

5Yr Risk Adjusted Total Return.

4 High Conviction

A concentrated portfolio of high-quality stocks.

