

SHAREHOLDERS'  
QUARTERLY REPORT

MARCH 2025

## 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)

2.40 cps on 13 March 2025  
3.10 cps on 11 September 2024  
2.30 cps on 15 March 2024  
2.90 cps on 12 September 2023

## COUNTRY WHERE LISTED

Australian Securities Exchange:  
Inception 14 August 2014

## STOCK EXCHANGE CODE

ASX: ECP

## RATINGS

• Independent Investment Research –  
Recommended<sup>1</sup>

## 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

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AUSTRALIA

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ecpam.com/emerging

## PORTFOLIO PERFORMANCE

	3 m	1 Y	3 Y	5 Y	INCEPTION
ECP Portfolio <sup>^</sup>	-6.7%	-2.3%	7.5%	17.2%	13.4%
ASX Small Ordinaries Index	-3.0%	-4.0%	-3.6%	7.3%	2.8%
ASX All Ordinaries Index	-4.4%	-1.2%	1.1%	9.5%	3.4%

<sup>^</sup> 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 2025 (before estimated tax on unrealised gains) closed at 149.3 cents per share, this represents a decrease of 12.3% from the prior quarter.

## INVESTMENT ACTIVITY

During the quarter Temple & Webster Ltd (TPW) was added to the portfolio, whilst CAR Group and Fisher & Paykel were removed.

After extensive due diligence, the Manager concluded that TPW's strong consumer value proposition (10-40% cheaper), attractive customer acquisition ROI (6mth payback), small market penetration (2%), and brand leadership lay the groundwork for compelling growth forecasts.

## MARKET COMMENTARY

US equities declined in Q1 with the S&P 500 falling by 4.6% and the MSCI World Index falling by 2.1%, led by sharp falls in information technology and consumer discretionary stocks. In contrast, most other sectors fared better, with energy and healthcare posting gains. Markets reacted to news that China's DeepSeek had developed a low-cost AI model rivaling top players, prompting a reassessment of US dominance in AI and putting pressure on the "Magnificent Seven" stocks that have led recent gains. Trade tensions resurfaced, with President Trump announcing tariffs on countries including Mexico and Canada, and on goods such as cars, steel, and aluminium. Investors looked ahead to further measures expected on 2 April, dubbed "Liberation Day." Concerns grew that tariffs and planned public sector job cuts by the new Department of Government Efficiency (DOGE) could hit consumer confidence. Meanwhile, the Federal Reserve cut its 2025 growth forecast to 1.7% (from 2.1%) and raised its inflation outlook to 2.7%. Interest rates remained steady at 4.25-4.50%.

Eurozone equities rose strongly in Q1, driven by a rotation out of US large-caps and optimism over Germany's February elections. Friedrich Merz's CDU victory and pro-growth agenda boosted sentiment, particularly as he moved to loosen borrowing rules. Financials led gains, while consumer discretionary, tech, and real estate lagged. Economic data improved, with rising business confidence and manufacturing growth. The ECB cut rates twice, and inflation eased. In the UK equities rose, led by large-cap financials, energy, and healthcare, as investors moved away from pricey US tech. However, small and mid-caps underperformed. Economic concerns persisted despite avoiding recession, and spending cuts in the Spring Statement dampened sentiment. Consumer-facing sectors were weak, and the pound stabilised after a shaky start. The FTSE rose by 5.0%, the CAC rose by 5.6%, and the DAX rose by 11.3% over the quarter.

In Australia, equities declined with the ASX All Ordinaries falling 4.4% for the quarter, ASX 200 3.9%, and the Small Ordinaries 3.0% respectively. The RBA reduced the cash rate by 25bps to 4.1% in its February meeting. Economic highlights include a 0.6% GDP growth in Q4 2024, driven by household spending, resulting in a 1.3% annual growth. Inflation slowed to 2.4% in February, aided by electricity subsidies, with core inflation at 2.7%, within the central bank's 2-3% target. Unemployment held steady at 4.1%, despite a drop in employment and participation (67.2%). Retail sales grew 0.3% in January, boosted by hospitality and events, while consumer sentiment rose to 95.9 in March due to lower inflation and rate cuts. Housing prices also increased by 0.4% in March, supported by improved borrowing conditions. The AUD appreciated during the quarter, posting 0.9% gain against the US Dollar (62.47 US cents), and depreciated 2.2% against the Pound (48.36 pence), and depreciated 3.4% against the Euro (57.76 cents).

## PORTFOLIO CHARACTERISTICS (as at 31 March 2025)

NTA (Before tax on unrealised gains) – Total	\$27,499,720
NTA (Before tax on unrealised gains) – Per Share	149.3 cents
Concentration of the Top 20 Holdings	96.7%
Number of Portfolio Positions	19

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## MANAGER:

ECP ASSET MANAGEMENT

ABN 68 158 827 582

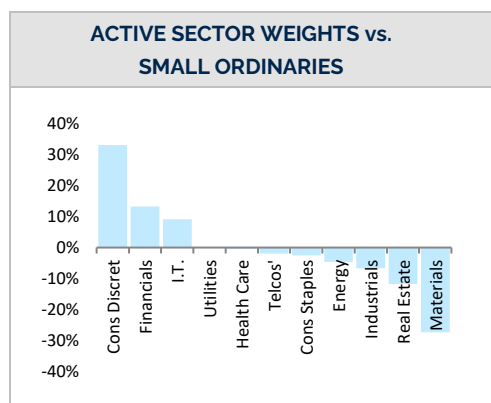
Our Investment Philosophy is based on the belief the economics of a business drives long-term investment returns. This is expressed through our investment process.

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

## PORTFOLIO BREAKDOWN

SECTOR ALLOCATION	
Consumer Discretionary	46.3%
Financials	26.1%
Information Technology	14.2%
Health Care	4.7%
Telecommunications	3.9%
Cash	3.3%
Industrials	1.5%
Consumer Staples	0.0%

TOP HOLDINGS	
GQG Partners	9.5%
Domino Pizza Enterprises	7.4%
Corporate Travel Limited	7.3%
Judo Cap Holdings	7.0%
Lovisa Holdings Ltd	6.8%
IDP Education Ltd	6.4%
HUB24 Ltd	6.1%
Temple & Webster Ltd	5.9%



QUARTERLY PORTFOLIO CHANGES	
<b>ADDITIONS</b>	
Temple & Webster Ltd	TPW
<b>REMOVALS</b>	
Car Group Limited	CAR
Fisher & Paykel	FPH

## INVESTMENT MANAGER RELEASES ANNUAL SUSTAINABILITY REPORT

The Company's Investment Manager ('IM') was active during the first quarter of the new calendar year, discussing markets over the 2024 calendar year and the outlook ahead into 2025. Members of the IM team featured in the Australian Financial Review and Financial Standard publications, and on Sky News and podcasts such as Fear and Greed, highlighting market dynamics and sharing insights on the Australian reporting season period.

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](mailto:info@ecpam.com) or visit our website [www.ecpam.com/emerging](http://www.ecpam.com/emerging) for links to Shareholder Reports and Announcements.

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## 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 <sup>2</sup>	1.30%
Reporting and Correspondence	Monthly Net Tangible Asset Values <a href="http://www.asx.com.au">www.asx.com.au</a> and Quarterly Reports, Half-Yearly and Annual Reports at <a href="http://www.ecpam.com/emerging">www.ecpam.com/emerging</a>
Auditor	Augmented Audit Co Pty Ltd
Registry	Automic Pty Ltd - <b>1300 288 664</b> OR <a href="mailto:hello@automicgroup.com.au">hello@automicgroup.com.au</a>
Share price and NTA	<a href="http://www.asx.com.au">www.asx.com.au</a> and <a href="http://www.ecpam.com/emerging">www.ecpam.com/emerging</a>

<sup>1</sup> 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.

<sup>2</sup> Calculated in accordance with ASX defined terms as at 30 June 2024

## 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.

