

SHAREHOLDERS' QUARTERLY REPORT

DECEMBER 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)

3.10 cps on 11 September 2024
2.30 cps on 15 March 2024
2.90 cps on 12 September 2023
2.20 cps on 9 March 2023

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 [^]	-4.0%	19.4%	4.3%	13.8%	14.5%
ASX Small Ordinaries Index	-1.5%	5.5%	-4.3%	1.3%	3.2%
ASX All Ordinaries Index	-1.4%	7.5%	2.7%	4.4%	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 December 2024 (before estimated tax on unrealised gains) closed at 170.3 cents per share, this represents a decrease of 8.6% from the prior quarter.

INVESTMENT ACTIVITY

During the quarter no new companies were added to the portfolio and none were removed.

MARKET COMMENTARY

US shares advanced following Donald's Trump's victory in the Presidential election, but other regional markets came under pressure amid worries over trade tariffs. Trump's victory in the US presidential election acted as a headwind for emerging market (EM) equities in the quarter.

In the US, equities made gains in Q4 to round out a strong year for the S&P 500 index, buoyed by expectations that Trump's policy programme will lift growth, lower taxes and cut regulation. In Q4, gains were led by the communication services, information technology and consumer discretionary sectors. The weakest sector was materials. The US economy remained strong with annualised GDP growth of 3.1% in Q3. The Federal Reserve (Fed) lowered interest rates by 25 basis points (bps) in both November and December but scaled back the number of interest cuts expected in 2025 due to persistently sticky inflation. The S&P 500 posted +2.1%, while the Nasdaq posted +6.2% over the quarter.

In Europe, shares declined in Q4 amid fears of recession. The weakest sectors for the quarter included materials, real estate and consumer staples. Sectors posting gains included industrials. The European Central Bank (ECB) cut interest rates by 25 basis points in both October and December and signalled more rate cuts in 2025. In the UK, equities fell over the quarter. Several domestically focussed sectors declined amid a rise in long-term bond yields and growing concerns about the UK macro-economic outlook. While long-term bond yields rose in line with global trends as inflation expectations were revised upwards, their rise in the UK was exacerbated by concerns around the new UK government's fiscal policies unveiled in its Autumn Budget. Data indicated the economy shrank in October, being the second straight monthly contraction and revisions to past data revealed the economy had performed more poorly than expected with Q3 growth being revised to zero from 0.1% previously. The FTSE decreased by -0.8%, the CAC by -3.3%, while the DAX rose by +3.0% over the quarter.

In Australia, equities declined with the ASX All Ordinaries falling -1.5% for the quarter, ASX 200 -1.3%, and the Small Ordinaries -1.45%, respectively. The RBA left the cash rate unchanged at 4.35% in its December meeting. The policy statement was more dovish, noting that inflation is moving sustainably towards target. The Q3 gross domestic product (GDP) was another soft print at 0.3% quarter-on-quarter, well below consensus estimates. Weakness was mainly focused on private investment, which fell 0.6% in the quarter. The labour market remains resilient, with a 3.9% unemployment rate in November, the lowest level since March. Business and consumer sentiment indices however retreated further in November. The AUD depreciated during the quarter, posting -10.5% against the US Dollar (62 US cents), -4.5% against the Pound (49.5 pence) and -3.8% against the Euro (59.8 cents).

PORTFOLIO CHARACTERISTICS (as at 31 December 2024)

NTA (Before tax on unrealised gains) – Total	\$31,282,014
NTA (Before tax on unrealised gains) – Per Share	170.3 cents
Concentration of the Top 20 Holdings	97.3%
Number of Portfolio Positions	20

SHAREHOLDERS' QUARTERLY REPORT

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

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.

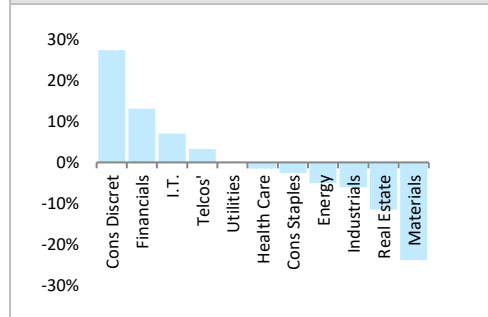


PORTFOLIO BREAKDOWN

SECTOR ALLOCATION	
Consumer Discretionary	41.6%
Financials	25.4%
Information Technology	14.6%
Telecommunications	8.5%
Health Care	5.5%
Cash	2.7%
Industrials	1.7%
Consumer Staples	0.0%

TOP HOLDINGS	
Domino Pizza Enterprises	8.7%
GQG Partners	8.6%
IDP Education Ltd	7.8%
Lovisa Holdings Ltd	6.8%
Judo Cap Holdings	6.3%
Corporate Travel Limited	6.3%
Guzman Y Gomez Ltd	5.9%
Nuix Limited	5.7%

ACTIVE SECTOR WEIGHTS vs. SMALL ORDINARIES



QUARTERLY PORTFOLIO CHANGES

ADDITIONS

No additions during the quarter

REMOVALS

No removals during the quarter

INVESTMENT MANAGER RELEASES ANNUAL SUSTAINABILITY REPORT

The Company's Investment Manager ('IM') was recognised at the 2024 Australian Fund Manager Awards during the period, receiving two accolades including the Golden Bull Award for the best Large-Cap Aussie Equities Manager and the Best Funds Management Analyst Award. Commenting on the awards, the IM's co-founder and CIO, Dr Manny Pohl AM said the win reflects the ongoing success of the team.

Various members of the IM were featured in industry publications over the period, including the Australian Financial Review and The Australian. The IM appeared on multiple podcasts, discussing their careers, the IM's investment philosophy, and outlook for markets.

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	1.30%
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 2024