Annual General Meeting Ironbark Capital Limited 31 October 2019



Doug Hew Investment Manager Kaplan Funds Management



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Ironbark Capital Portfolio

۶	Absolute Return Focus		
	<u>Return FY19</u> 14.8% 7.7%	IBC portfolio (pre fees, including franking credits) Benchmark (1 year swap rate + 6% pa)	<u>Volatility FY19</u> 4.2%
	13.1%	ASX 200 Accumulation Index (franking credit adjusted):	11.0%
٨	16.5 year track record 9.4% pa return (pre fees, including franking credits) since inception		
4	<i>High portfolio yield:</i> Running yield of 6.6%* (inclusive of franking credits) <i>*excludes option premium income (~\$395,000 FY19)</i>		
٨	Consistent Returns: low volatility, approximately 60% less than ASX Index volatility FY19		

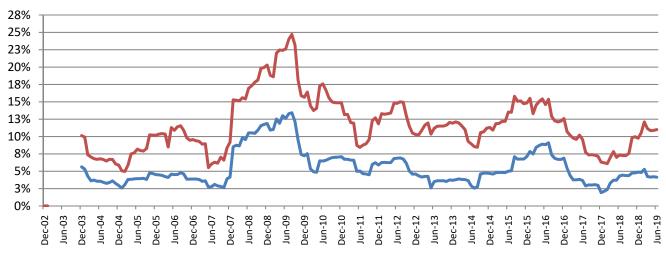


16 14.8 14 12 10.5 <u>9.4</u> ^{10.0} 9.5 10.1 10 % return 8.9 9.1 8.7 8.7 8.2 8.1 8.1 8.0_{7.9} 8.0 7.8 7.8 7.7 8 6.9 W 6 4.1 4 2.3 2 0 16.5yrs 10yrs %pa 9yrs %pa 7yrs %pa 6yrs %pa 5yrs %pa 4yrs %pa 3yrs %pa 2yrs %pa 1 yr % FYTD % %pa IBC portfolio+franking 8 BENCHMARK (1 yr swap+6%pa)

IBC Portfolio Performance

since inception to 30 June 2019





IBC Portfolio Volatility vs ASX Index Volatility (risk measurement – rolling 12 months)



9.0% 8.4% 8.0% 7.0% 6.9% 6.0% 6.3% 6.6% 6.2% 5.7% 5.0% 4.9% 4.0% 4.1% 3.0% 2.0% Unifies Resources 1.0% 0.0% RONBARK Snallhaustrals Con Bonds Property Tusts Banks

Running Yield Composition of IRONBARK CAPITAL (inclusive of franking credits)



Benchmark (1yr swap+6%) PORTFOLIO TOTAL hybrids & corp bonds buy & writes & equities utilities 0.15%

3.53%

5.0%

10.0%

15.0%

20.0%

0.03%

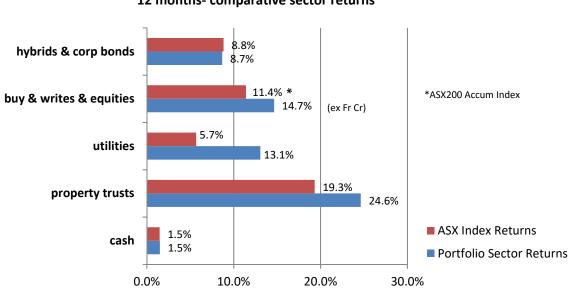
0.0%

IRONBARK CAPITAL Jun 2019 12 months - performance & sector contribution

property trusts

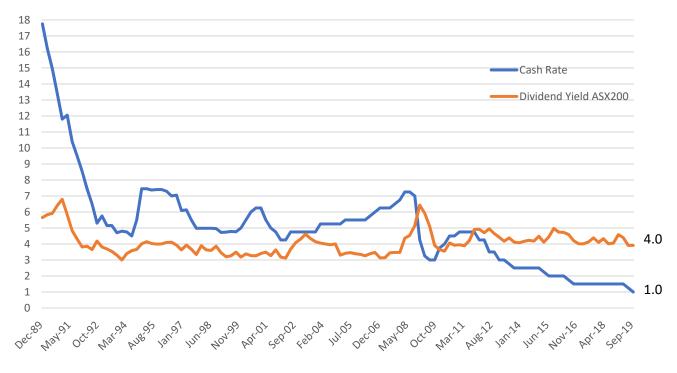
cash





IRONBARK CAPITAL Jun 2019 12 months- comparative sector returns

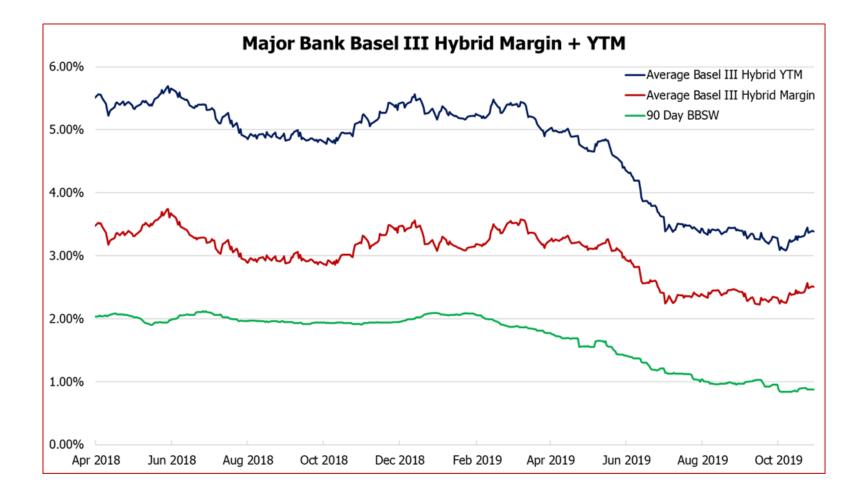




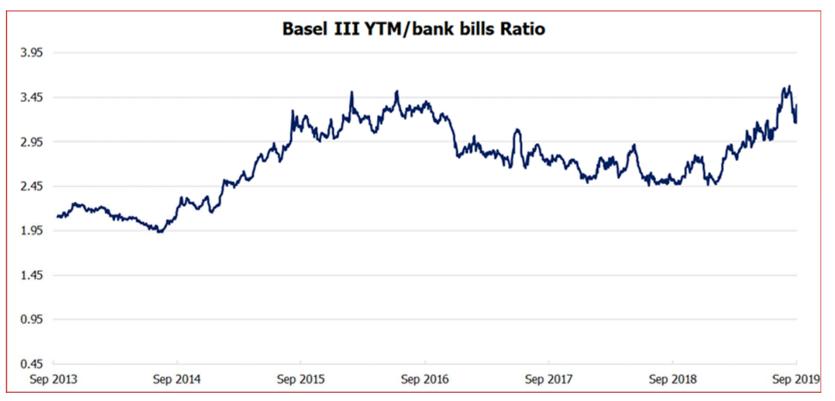
Sharemarket Dividend Yield Gap

source: IRESS







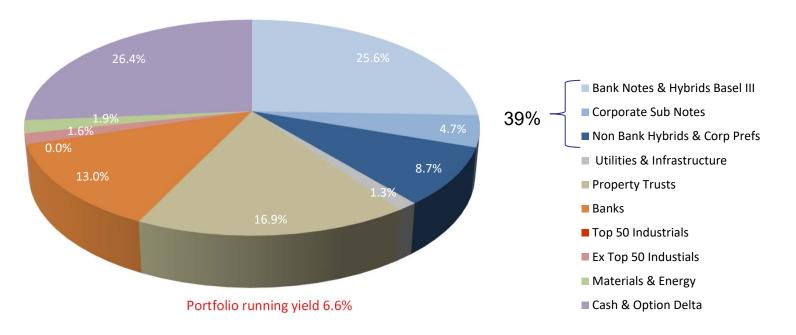




60000 -All Bonds and Hybrids 50000 -Bonds -Hybrids 40000 30000 20000 10000 0 Jun-2008 Jun-2009 Jun-2010 Jun-2011 Jun-2012 Jun-2013 Jun-2014 Jun-2015 Jun-2016 Jun-2017 Jun-2018 Jun-2019

ASX Bond and Hybrid sector size





IRONBARK CAPITAL ASSET ALLOCATION - 30 June 2019



Outlook

- > The global economy has entered a period of greater uncertainty.
- Global growth is risked to the downside, late cycle economic pressures are building, and accommodative monetary policy has become entrenched but less effective.
- Economic growth in Australia is expected to remain subdued supported by very low interest rates for some period of time.
- > We expect investment conditions to remain favourable for Ironbark's style:-

- To provide investors with an income generating portfolio that is diversified across investments in interest rate securities, property trusts, utilities and buy & writes in leading stocks.



Questions