



"veritas et aequitas"

ANNUAL GENERAL MEETING

5 NOVEMBER 2020

Your Board



Mr Michael Glennon Non-Executive Chairman and Company Secretary

Mr Sulieman Ravell Non-Executive Director

Mr Gary Miller Non-Executive Director



AGENDA

- Director's Presentation
- Questions and answer time
- Consideration of Accounts
- Questions and answer time
- Consideration of Resolutions
- Questions and answer time



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BHD Directors Presentation

1. Investment Strategy
2. BHD Share Price
3. Update on JBFG
4. BHD Performance
5. Portfolio Holdings



Investment Strategy

1. Structure - all three directors are actively involved in idea generation, research and investment selection.
2. An investment idea must be supported by at least two directors to be added to the portfolio.
3. We are open to a wide investment universe and seek to build a relatively concentrated portfolio of our best 5 to 20 ideas. This will generally include exposure to domestic and global equities.
4. We actively seek out arbitrage opportunities, particularly when markets appear to be fully valued.
5. A recent example of this is our investment in Ellerston Global Mid Small Cap Fund, which represents the largest position and 12% of our NTA as at 31/10/2020



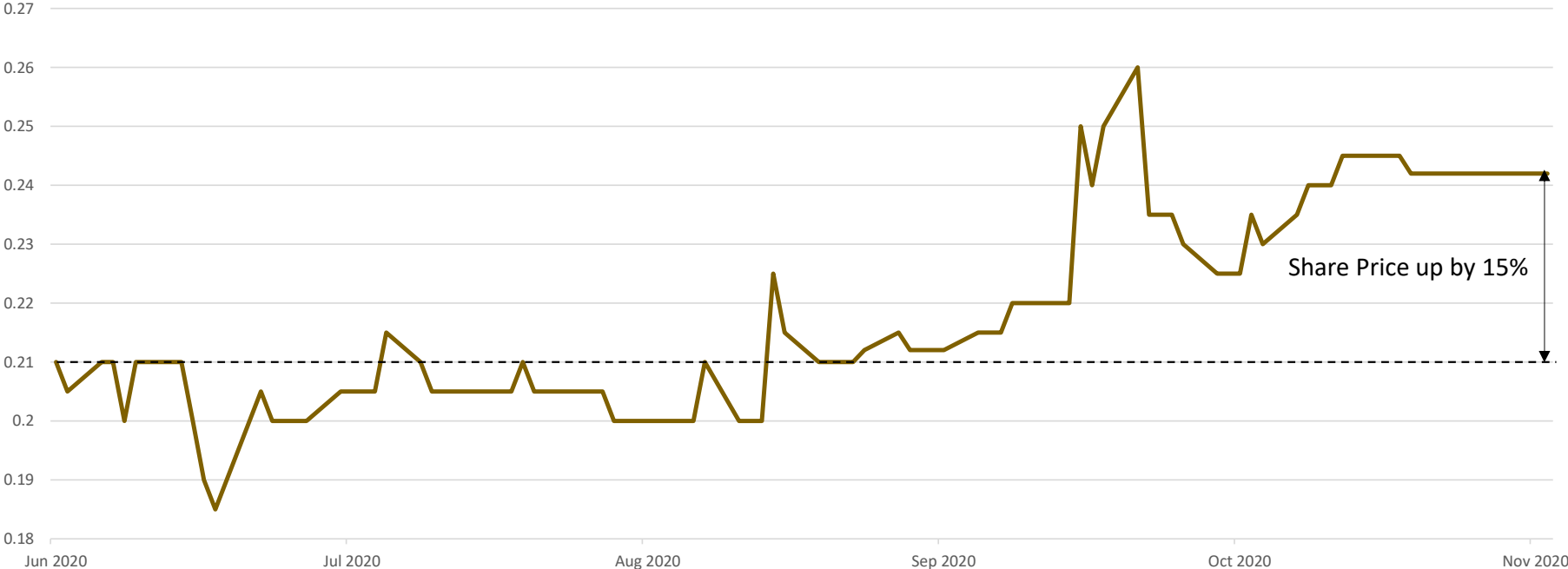
Investment Strategy

- We are opportunistic, value orientated, risk aware and index unaware.
- We do not feel compelled to be fully invested through the cycle.
- Rather we will be inclined to selectively increase exposure during periods of market weakness and trim positions by profit taking when markets appear expensive.
- Liquidity is a consideration for us, however in managing a smaller pool of funds we may be able to participate in opportunities that others are simply too large to take advantage of in a meaningful way.
- We will participate in IPOs and Placements where we see value and where we can obtain allocations.



BHD Share Price

BHD Share Price



Update on JB Financial Group Pty Ltd (JBFG)

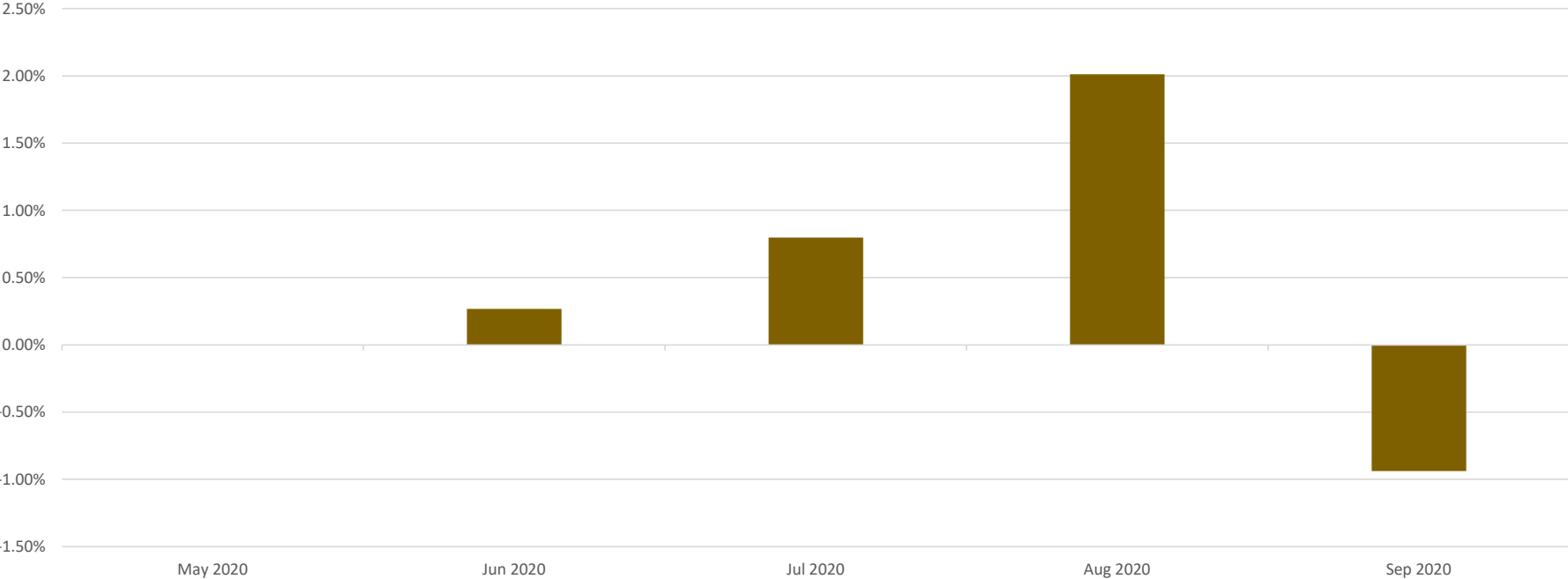


- Currently in liquidation
- \$2.2 million unlisted loan secured to JBFG
- \$0.8 million unsecured loan to JBFG
- Not carried in NTA numbers



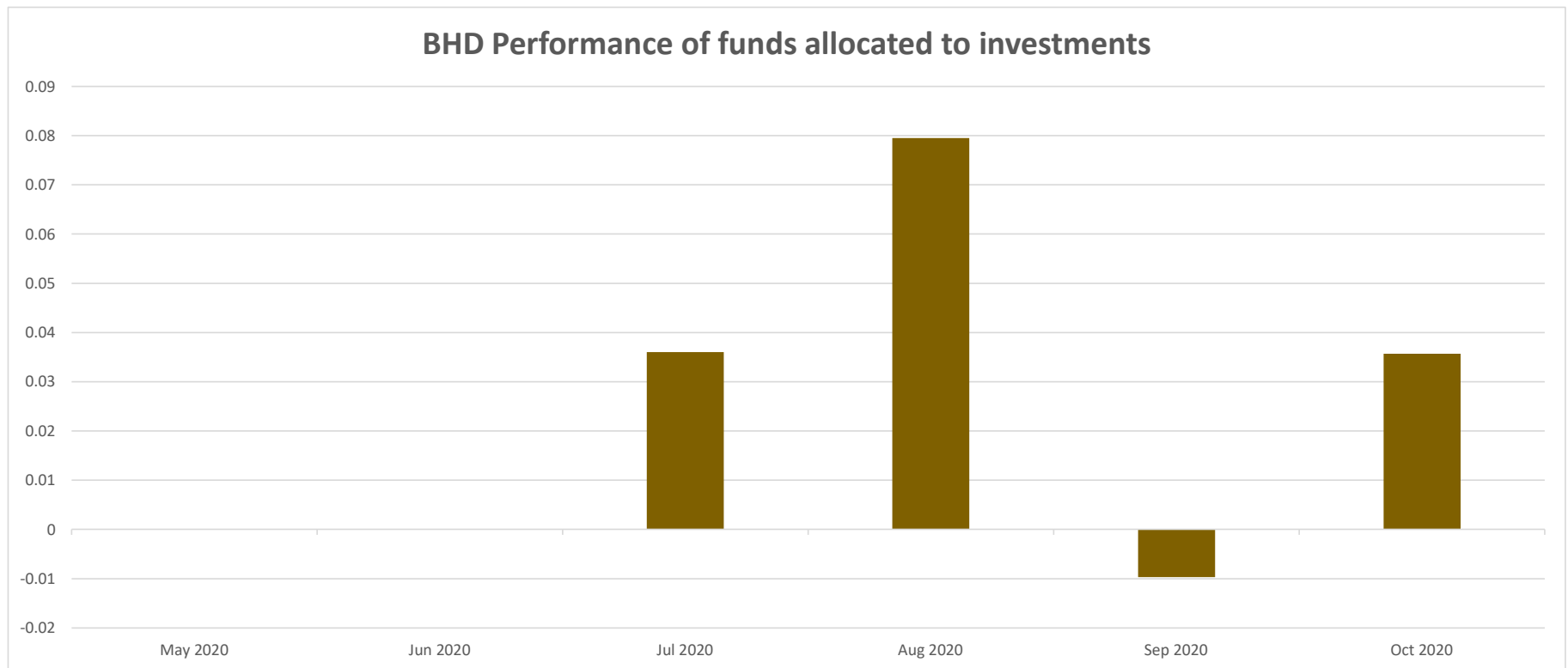
BHD Performance

BHD Performance (NTA Movement)





BHD Investment Portfolio Returns



Figures shown are only reflective of the funds allocated to investments and not indicative of the overall change in NTA. October portfolio return is a preliminary estimate of the gross portfolio return.

Portfolio Holdings



Examples:

1. Discount Capture Strategy - Ellerston Investments Ltd (EGI)
2. Takeover/Arbitrage - Onevue Holdings Ltd (OVH)
3. Deep Value/Event Driven - Unibail-Rodamco-Westfield (URW)



Ellerston Global Mid Small Cap Fund

Discount Capture

- Ellerston Global Investments (EGI) announced that they would be converting the LIC to an unlisted managed fund
- Opportunity to buy at a 7-8% discount to NTA
- Gain broad equity exposure at a discount with a clear pathway toward being able to exit at or close to NTA over 6 weeks
- We continue to hold
 - Franking credits of approximately 8% if held to 30 June 21 providing Alpha of approx 10%pa
 - No base management fee



Onevue Holdings Ltd (OVH)

Takeover

- Initial takeover offer from Iress was \$0.40 per share
- Share price was \$0.38
- Expectation was a lower risk opportunity over 6 weeks
- We felt it likely a higher offer and/or franking credit balance may also result
- Iress revised their offer to \$0.43 per share
- Result - 13% return



Unibail-Rodamco-Westfield (URW)

Deep Value

- Average entry price at \$2.90
- Large NTA discount in excess of 75%
- Retail shopping - Unloved sector – COVID!
- High quality property portfolio – less likely to be impacted long term
- Initial signs suggest less impact from Covid than anticipated
- Anticipated capital raise – Dilutive and creates uncertainty
- Market hates uncertainty
- Events on the horizon



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Consideration of Accounts

- To receive and consider:
 - (a) the financial statements;
 - (b) the directors' report; and
 - (c) the auditor's report
- ... of BHD for the year ended 30 June 2020.
- These statements and reports are placed before the Shareholders for discussion and Shareholders will be given the opportunity to ask questions and make comments on these statements and reports.
- No voting is required on this matter.



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Resolution 1

- **Adoption of the Remuneration Report**

That the Remuneration Report required by section 300A of the Corporations Act 2001 (Cth) as contained in the Company's Directors Report for the year ended 30 June 2020 be adopted by the Shareholders.

- Proxy Summary

FOR	OPEN	AGAINST	ABSTAIN
5,821,500	1,034,142	346,858	75,500
80.83%	14.36%	4.82%	-



Resolution 2

- **Re-election of Mr Sulieman Ravell as a Director**

“That Mr Sulieman Ravell, who retires by rotation in accordance with Rule 5.1 of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”

- Proxy Summary

FOR	OPEN	AGAINST	ABSTAIN
9,980,720	1,034,142	219,901	39,332
88.84%	9.20%	1.96%	-



Resolution 3

- **SPECIAL Resolution 3: Approval of increased Share issue capacity under Listing Rule 7.1A**

“That, for the purpose of ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum be approved.”

- Proxy Summary

FOR	OPEN	AGAINST	ABSTAIN
7,663,909	1,039,142	2,561,686	9,358
68.03%	9.22%	22.74%	-

End of Resolutions



Please ensure you had cast your votes on the 3 resolutions