FLAGSHIP INVESTMENTS

December 24

Quarterly Report

NTA	FULL YEAR DIVIDEND	SHARE PRICE	DIVIDEND YIELD
$2.589	**10.1cps**	**$2.10**	**4.81%**

INVESTMENT ACTIVITY

During the quarter we increased our holding in PWR, IDP and GQG Partners. We sold out of CBA, while our exposure to Nuix, Block, RIO and XRO was reduced.

During the quarter the portfolio produced a negative return of -1.4% compared to the ASX All Ordinaries Accumulation index performance of -0.9%. The NTA decrease for the quarter was 5.3%.

$10,000 investment in FSI under management of EC Pohl & Co

	3 m	1 yr	3 yr p.a.	5 yr p.a.	10 yr p.a.	Since Inception*
Portfolio^	-1.4%	21.1%	7.3%	12.3%	13.1%	12.6%
Bloomberg Bank Bill Index	1.1%	4.5%	3.2%	2.0%	1.9%	3.9%
ASX All Ordinaries	-1.4%	7.5%	2.7%	4.4%	4.6%	4.3%
ASX All Ord Accumulation	-0.9%	11.4%	6.9%	8.3%	8.8%	8.5%

^ Source: EC Pohl & Co Pty Ltd
* per annum returns since inception: 1 May 1998
Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns

MARKET COMMENT

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.

The S&P 500 posted +2.1%, while the Nasdaq posted +6.2% over the quarter, with gains 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.

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 -1.5%, 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).

OBJECTIVE

Long-term capital growth and income

STRATEGY

High-conviction portfolio of quality Australian listed equities from a research driven, bottom-up investment philosophy

DIRECTORS

Dominic M McGann
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Angela Obree
Non-Executive

COMPANY SECRETARY

Scott Barrett

INVESTMENT PHILOSOPHY

- High quality growth companies outperform over the longer-term
- Investments should outperform the risk-free rate
- The price one pays determines the ultimate long-term return

A QUALITY FRANCHISE

The “Pillars of a Quality Franchise” is an integrated framework developed by the Investment Manager to assess the investments. Through in-depth, detailed analysis, companies are measured under each pillar ensuring they meet the criteria for investment and exhibit the requisite sustainable growth prospects to be incorporated in the portfolio.

SECTOR BREAKDOWN

GICS Sector	FSI %
Financials	27.7%
Consumer Discretionary	25.1%
Health Care	17.4%
Information Technology	11.3%
Materials	7.4%
Communication Services s	6.5%
Cash	2.7%
Industrials	1.9%
Consumer Staples	0.0%
Energy	0.0%
Utilities	0.0%

TOP 10 HOLDINGS

Company	Weight
HUB24 Ltd	6.9%
GQG Partners	6.9%
IDP Education Ltd	6.8%
Block	6.1%
ResMed Inc	5.1%
James Hardie Industries	4.8%
CSL Limited	4.7%
Domino Pizza Enterprises	4.2%
Lovisa Holdings Ltd	4.0%
Cochlea Limited	3.8%

OTHER INFO

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.
Fees	Management fee of NIL. Performance fee of 15% of the annual outperformance over the Bloomberg Bank Bill Index.
MER*	0.0%

* Calculated in accordance with ASX defined terms as at 30 June 2024

Industry Award & Recognition

ECP Asset Management 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, co-founder and CIO, Dr Manny Pohl AM said the win reflects the ongoing success of the team.

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

Flagship Investments
Flagship Investments Limited
FSI.ASX
ABN 99 080 135 913

Level 12, Corporate Centre One
2 Corporate Court
Bundall Qld 4217 Australia

1800 FLAGSHIP 1800 352 474
Tel: +61 7 5644 4405
Fax: +61 7 5574 1457
Email: contact
@flagshipinvestments.com.au
www.flagshipinvestments.com.au

Fund Manager
EC Pohl & Co Pty Ltd
ABN 68 154 399 916
AFSL 421704

Tel: +61 7 5644 4400
Fax: +61 7 5574 1457
Email: flagship@ecpohl.com
www.ecpohl.com

Share Registry
Boardroom Pty Ltd

Tel: 1300 737 760
Email: enquiries
@boardroomlimited.com.au

Follow Us
Facebook
/flagshipinvestmentslimited

LinkedIn
/flagship-investments-limited-fsi

YouTube
/flagship-investments-limited-fsi