

10 October 2017

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**Djerriwarrh Investments Limited
2017 Annual General Meeting – Presentation**

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully



Matthew Rowe
Company Secretary



Annual General Meeting 2017

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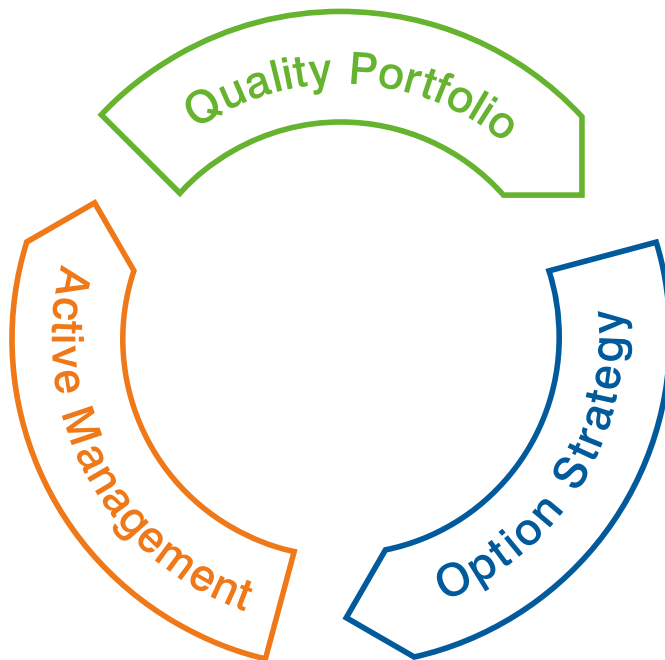
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Company Objectives and Recent Financial Performance

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How Djerriwarrh Invests

Income and capital growth



Balance between
income and
capital growth

Additional income
from options

How Djerriwarrh Invests – continued

Outcome of this approach:

- Higher income than the market.
- Lesser capital gains than the market.

How Djerriwarrh Invests – What we Look for in Companies

Quality First

Assessment of board and management as well as financial metrics/industry structure.

Growth

Including dividends

Ability to grow earnings over time which should produce dividend growth.

Value

Look further than short term measures of P/E's and other valuation metrics – long term investment horizon.

Portfolio that is actively managed for the long term, including utilisation of options to generate income

Full Year Financial Summary – 30 June 2017

Profit for the Year

\$33.7m

Down 17.3% from 2016

Fully Franked Dividend

10¢

Final

20¢

Total

Down 4 cents from 2016

Net Operating Result

\$33.8m

Down 19.8% from 2016

Management Expense Ratio

0.46%

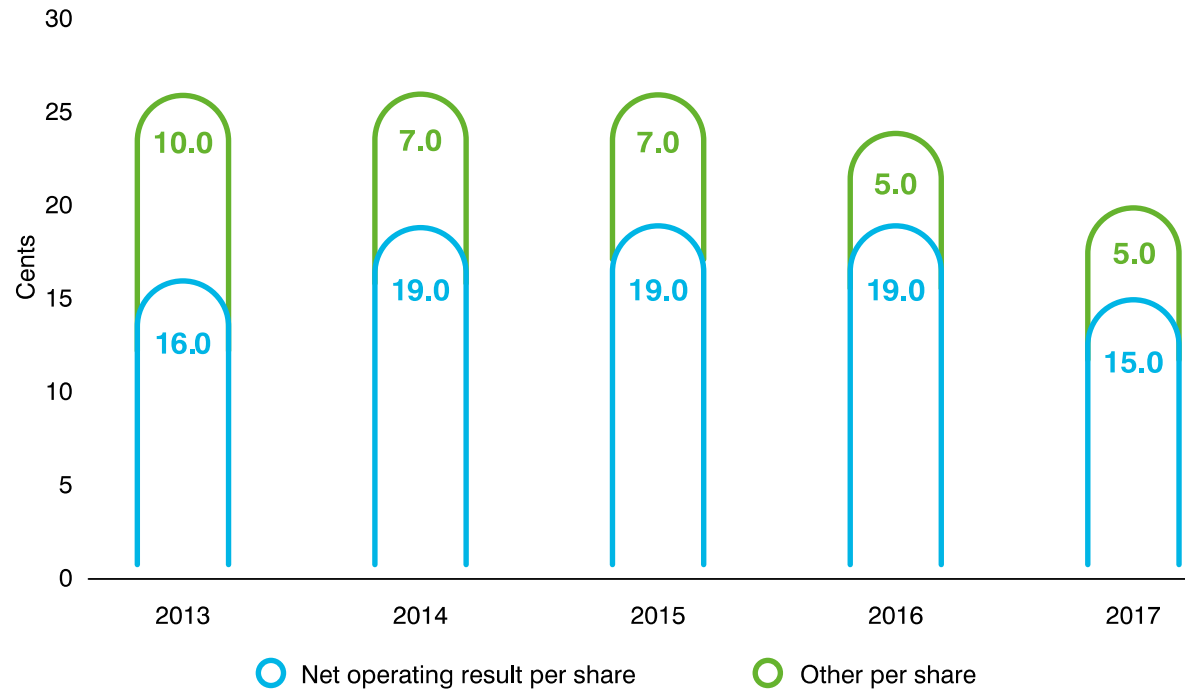
0.46% in 2016

Major Components of Income for the Year to 30 June 2017

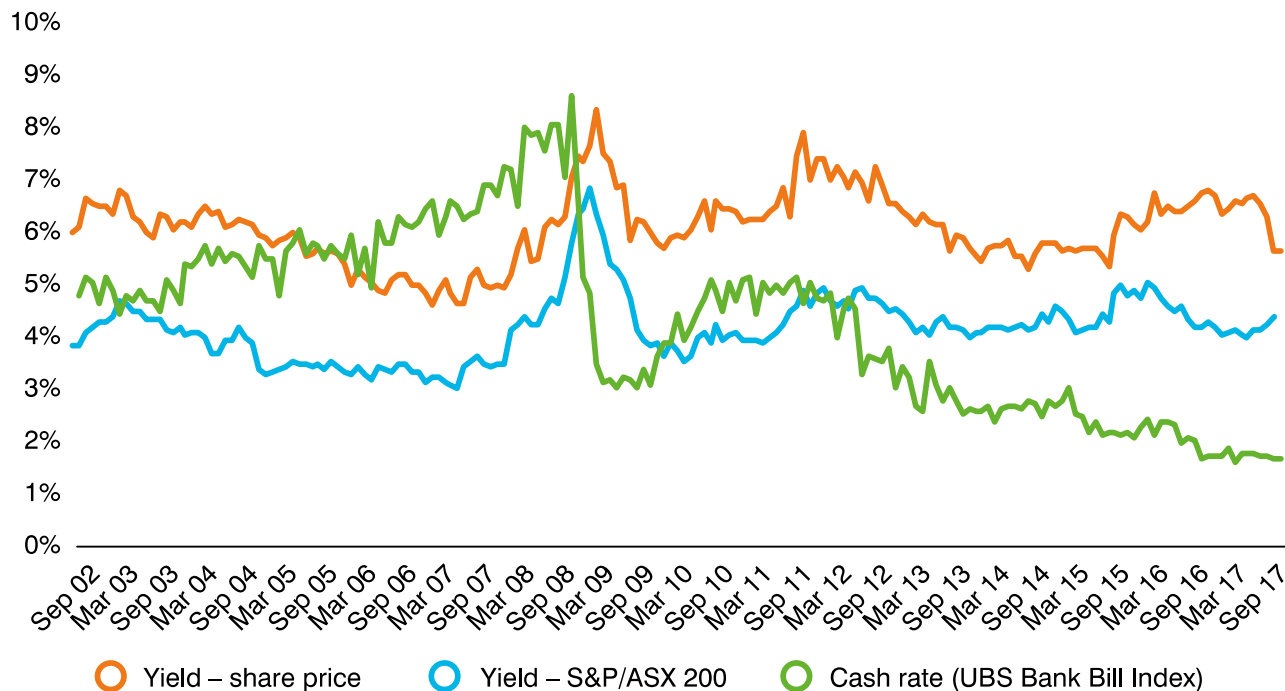
	Full-Year 2017 \$'000	Full-Year 2016 \$'000
Dividends and Distributions	30,570	36,794
Net Gains on Trading Portfolio	2,278	2,057
Income from Options Written Portfolio	10,938	16,074

- Dividends from investee companies remained under pressure.
- Decline as a result of buying back 'in the money call' options to capture more of the potential capital upside in the strong market.

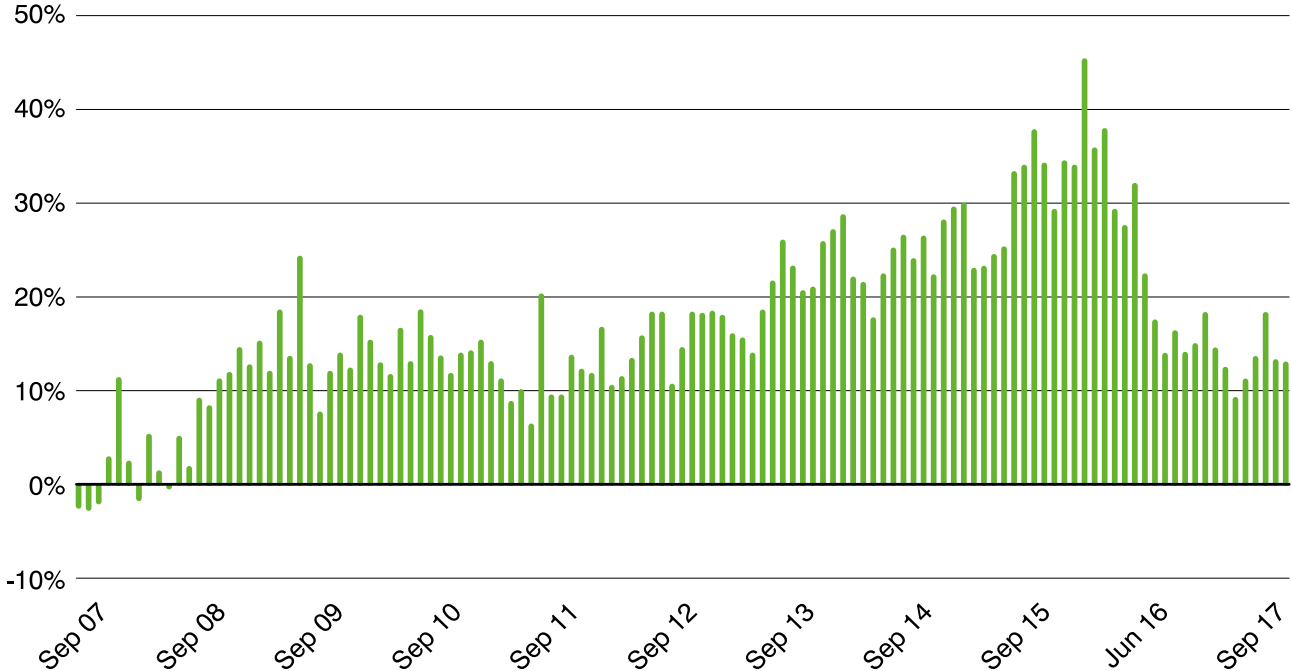
Sources of the Dividend Paid



Yield on the Share Price Relative to the S&P/ASX 200 and Interest Rates



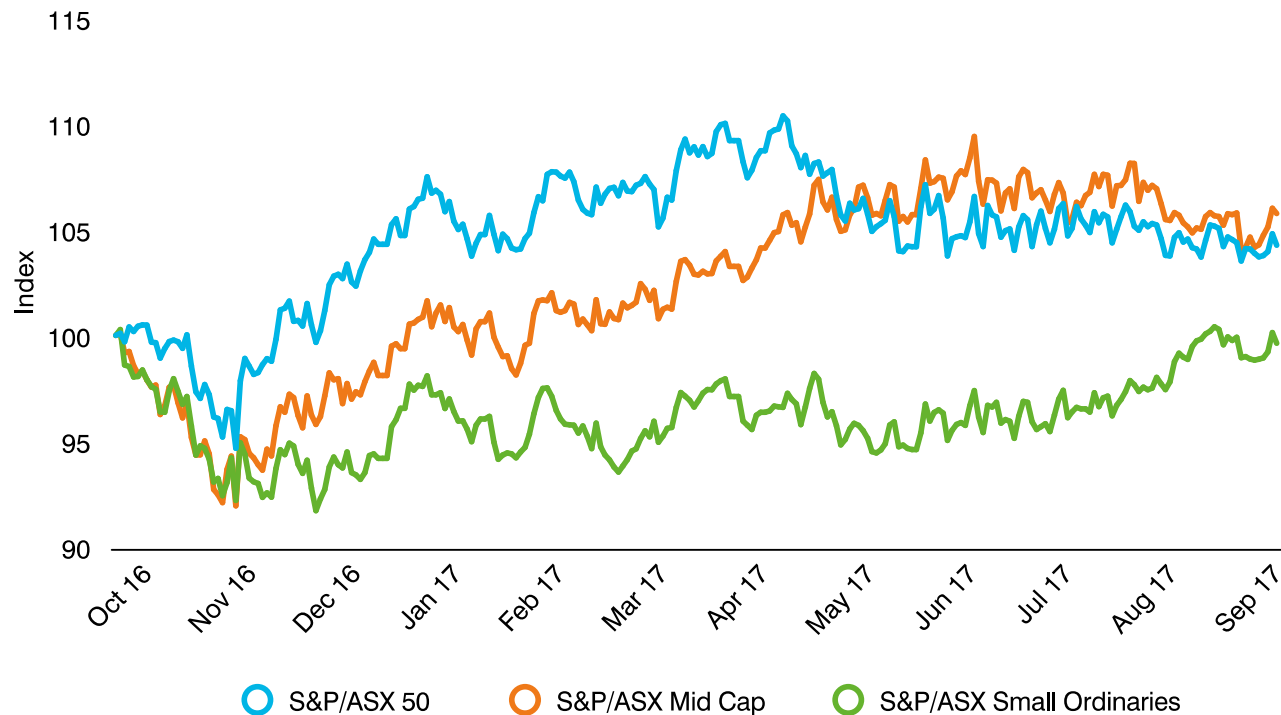
Share Price Premium to Net Asset Backing



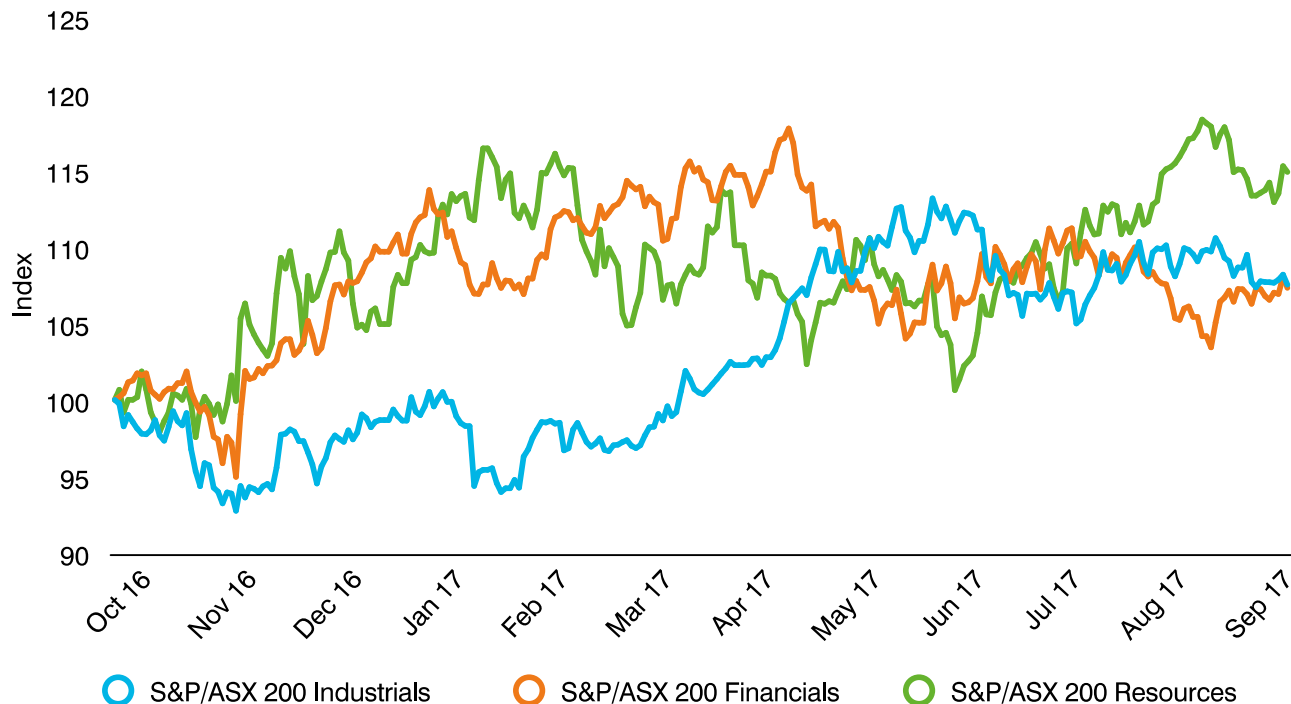
The Portfolio

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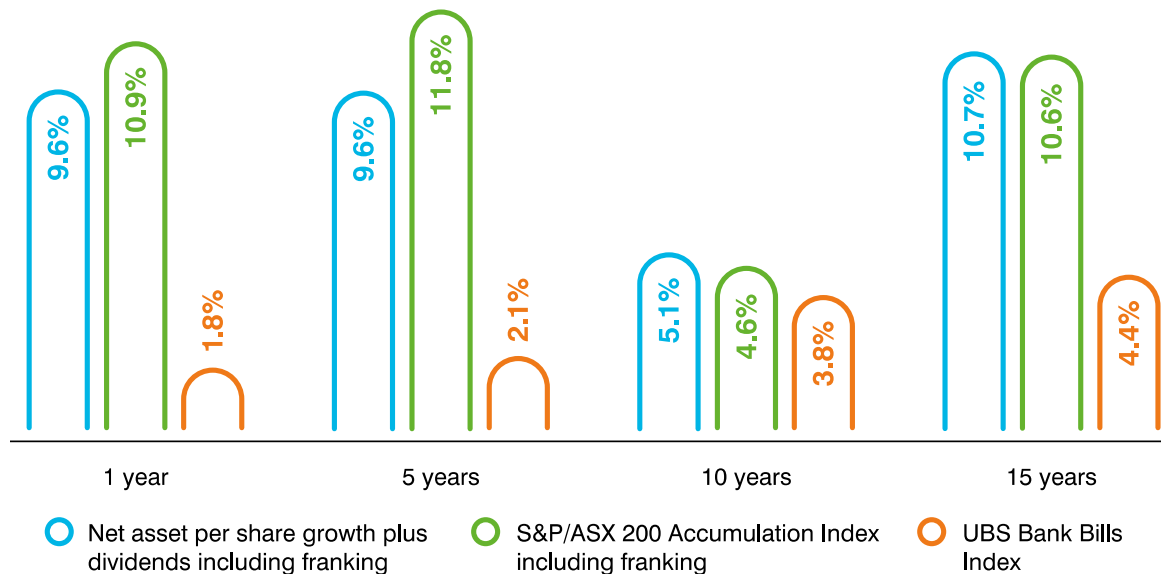
The Strength in Large Companies has Diminished



As Financials and Industrials Underperformed Resource Companies



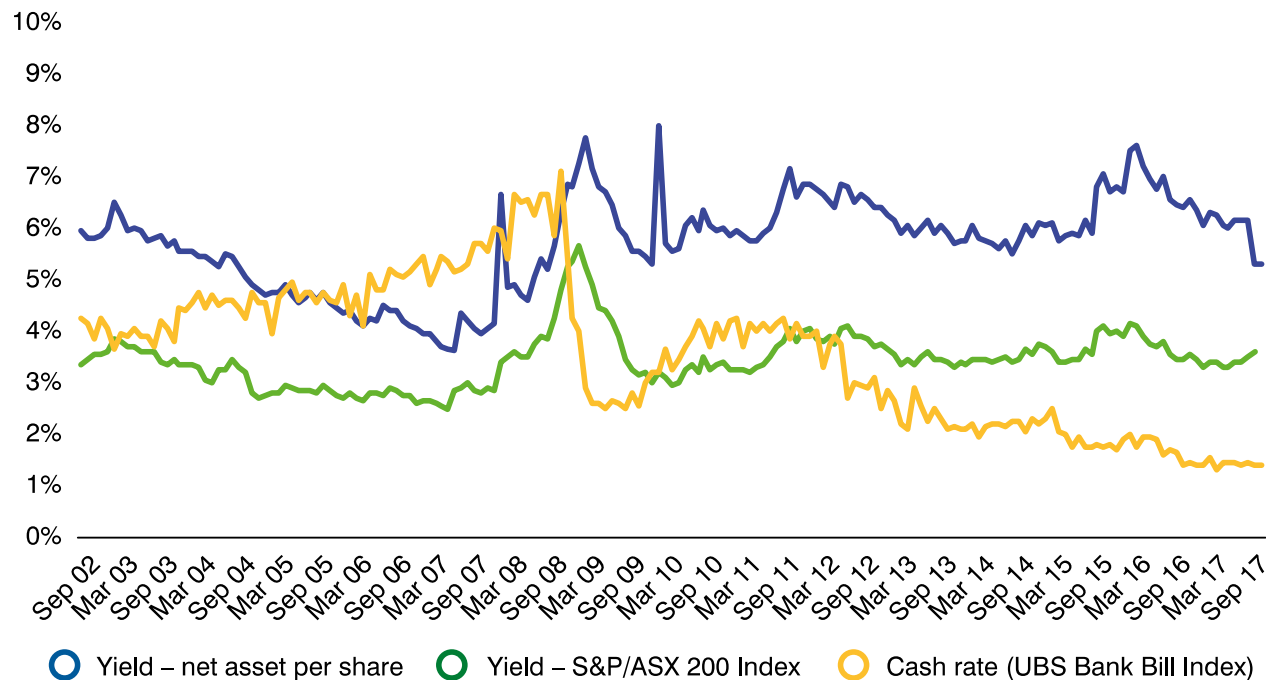
Portfolio Return to 30 September 2017, Including Benefits of Franking*



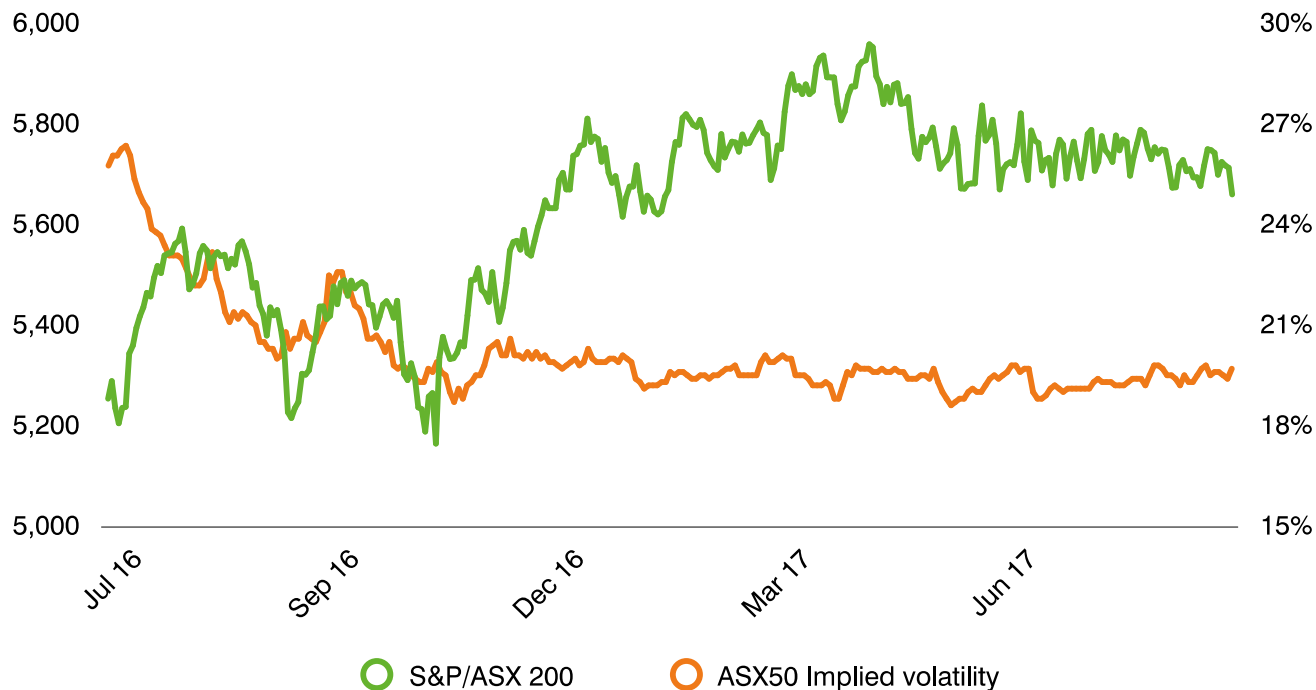
Note: Djerriwarrh's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax paid on realised sales of investments. It should be noted that Index returns for the S&P/ASX 200 do not include management expenses and tax.

*Assumes an investor can take full advantage of the franking credits.

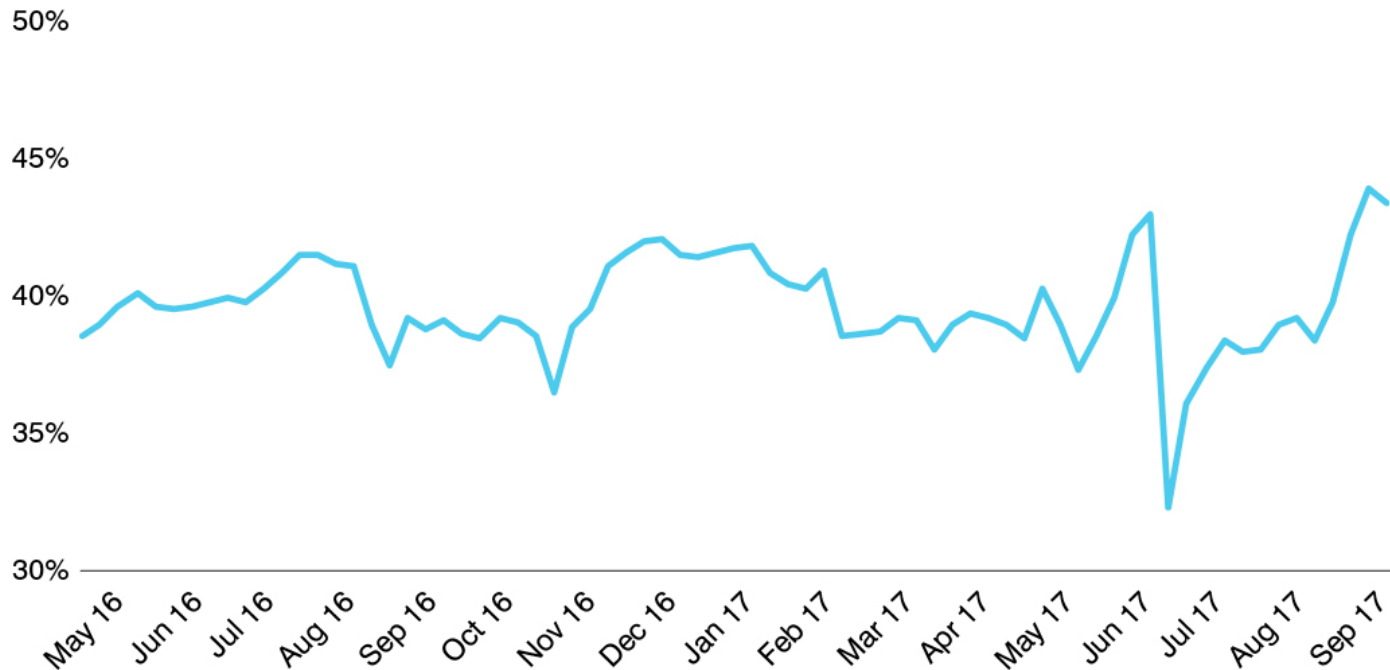
Relative Yield Generated by the Portfolio (Net Assets)



Low Volatility has been a Feature of the Market for Some Time



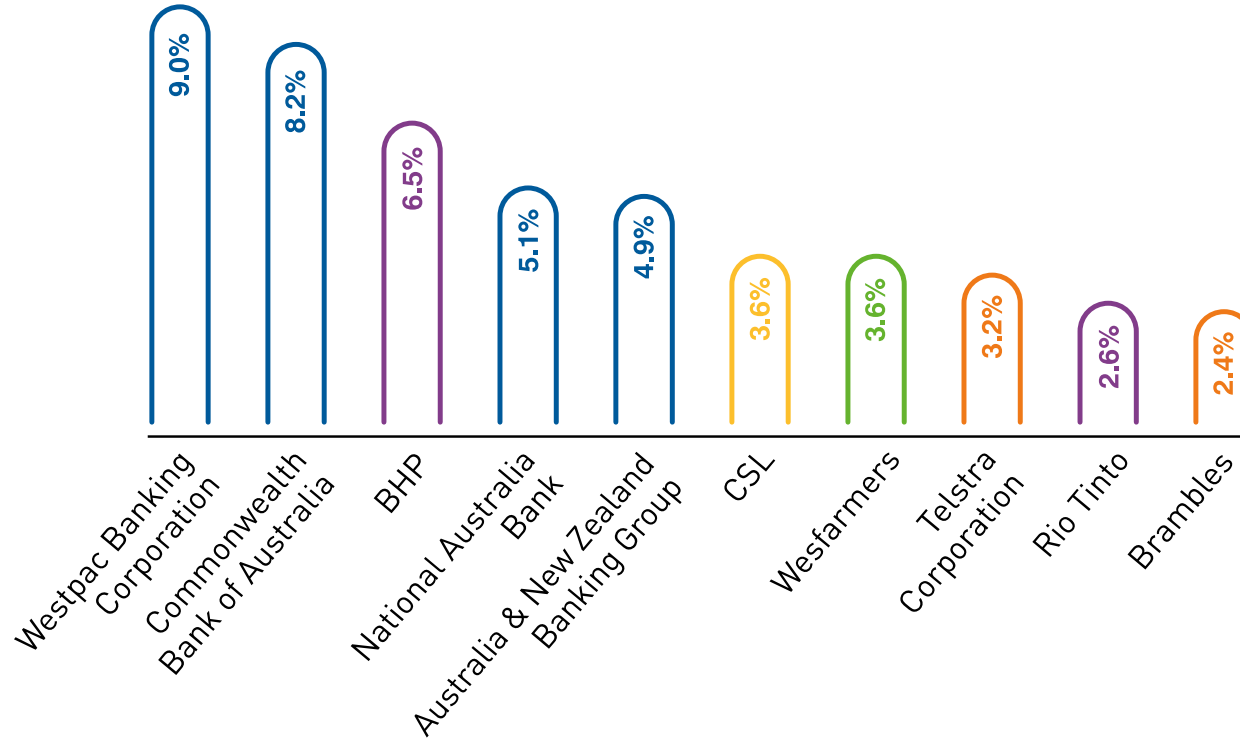
Option Coverage has been Increased Following Option Exercises at the end of the Financial Year



Adjustments to the Portfolio

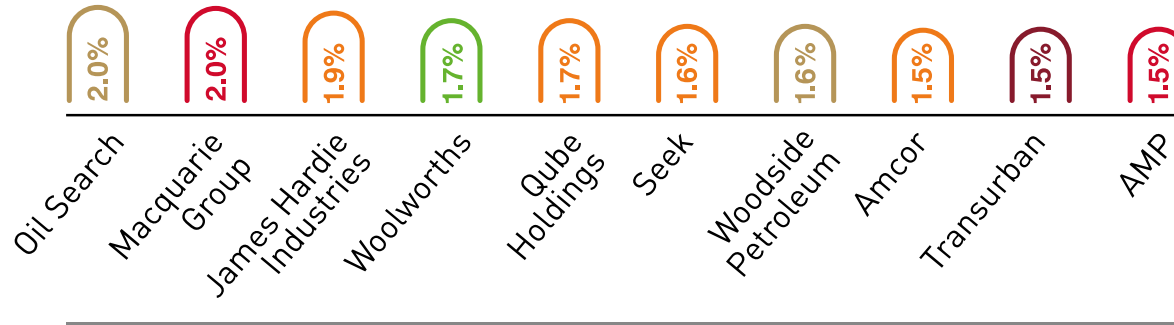
- Replenished holdings where exercises occurred – CSL, Macquarie Group, Carsales.com
- Utilised buy/write transactions where good returns were on offer – BHP, ANZ, National Australia Bank.
- Added selectively to existing holdings – Sydney Airport, Transurban.
- Reduced and or removed positions where concerns about quality, growth and or value have arisen.

Top 10 Holdings* at 30 September 2017 Represent 49.1% of the Portfolio



* Options were outstanding against part of each holding.

Next 10 Holdings* at 30 September 2017 Represent 16.9% of the Portfolio



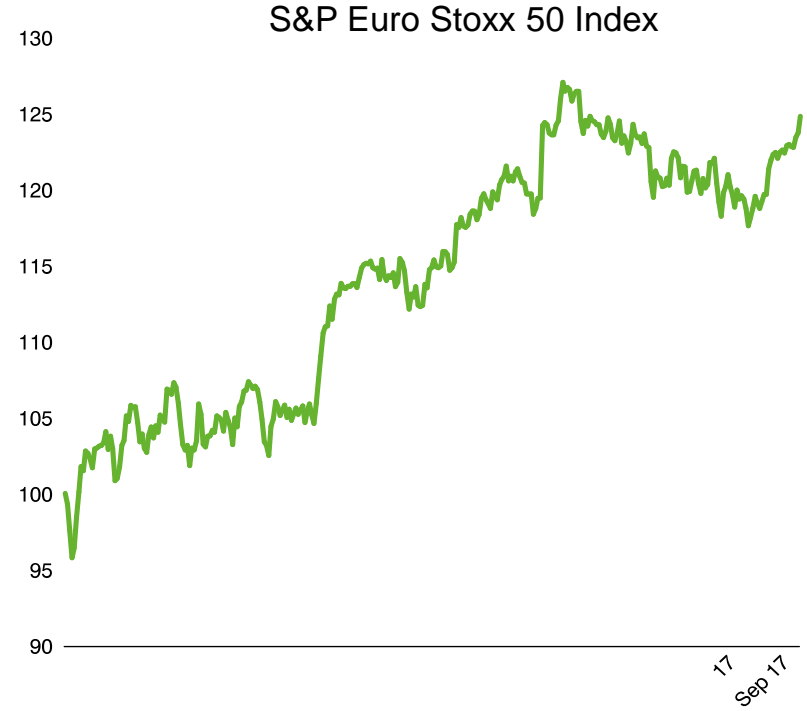
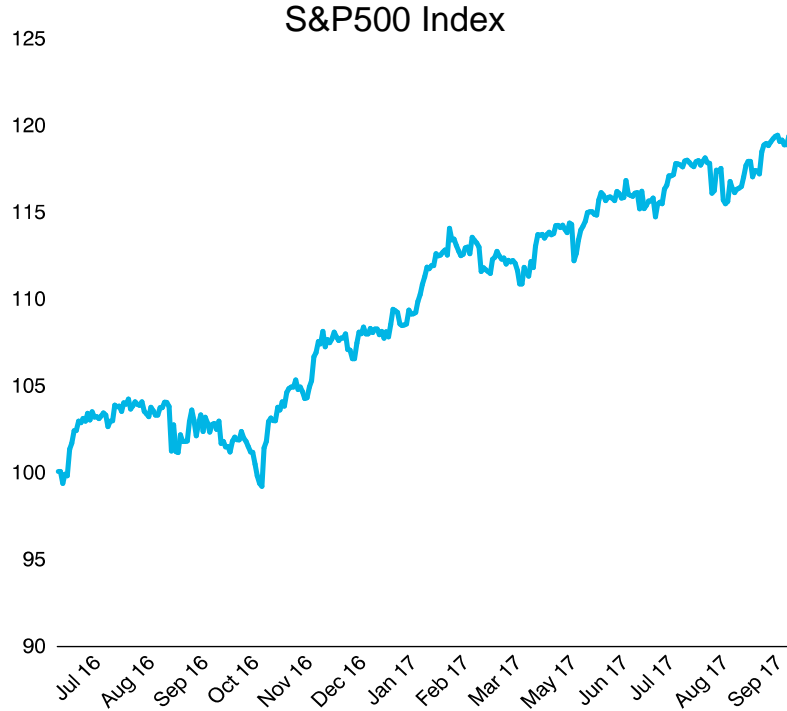
* Options were outstanding against part of each holding.



Going Forward

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Global Markets have been Strong Reflecting Confidence about Growth



But Remains Subject to Heightened Risks

- High debt levels across developed markets – very high household debt in Australia.
- Political populism – leads to focus on short term policy options.
- Shift to higher interest rates in the US, but Europe will lag.
- Transition in China.
- Heightened geopolitical tensions.
- Djerriwarrh comfortable with current portfolio settings – quality companies, option coverage toward top end of the normal range.

