



14 March 2018

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The Manager
ASX Market Announcements
Australian Securities Exchange
Exchange Centre
Level 4
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Sydney NSW 2000

Electronic Lodgement

**AMCIL Limited
Information Meetings Presentation**

Dear Sir / Madam

Please find attached the presentation to be given at the Information Meetings being held in March 2018.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'Matthew Rowe'.

Matthew Rowe
Company Secretary

Shareholder Meetings March 2018

Disclaimer

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Introduction



Labor Party have Announced the Ending of Refundability of Franking Credits

- The Labor Party has announced that if elected it will stop excess franking credits being refunded to shareholders.
- This particularly impacts individuals and self-managed super funds – charities, not-for-profits and most other super funds will not be impacted.
- This removes the principle that the individual tax-payer's marginal tax rate defines how much tax they have to pay.
- Shareholders in a pension-phase (nil tax payable) of their SMSF will be in effect paying 30% tax on franked dividends. Assuming that you received a gross income of \$25,000 from franked dividends (including a refund of franking credits), this will be cut to \$17,500 – a reduction of \$7,500.

Labor Party have Announced the Ending of Refundability of Franking Credits

- We feel that this is an unfair attack on a specific section of the investing public and on low-income earners who hold investments outside super-funds that can offset extra franking-credits against contribution taxes.
- Many shareholders will be considerably worse off under this proposal, particularly those who have been planning for their retirement over many years.
- Concerned shareholders should take the issue up with their local MPs.



Company Objectives and Recent Financial Performance

AMCIL's Approach

Focused portfolio covering large and small companies.

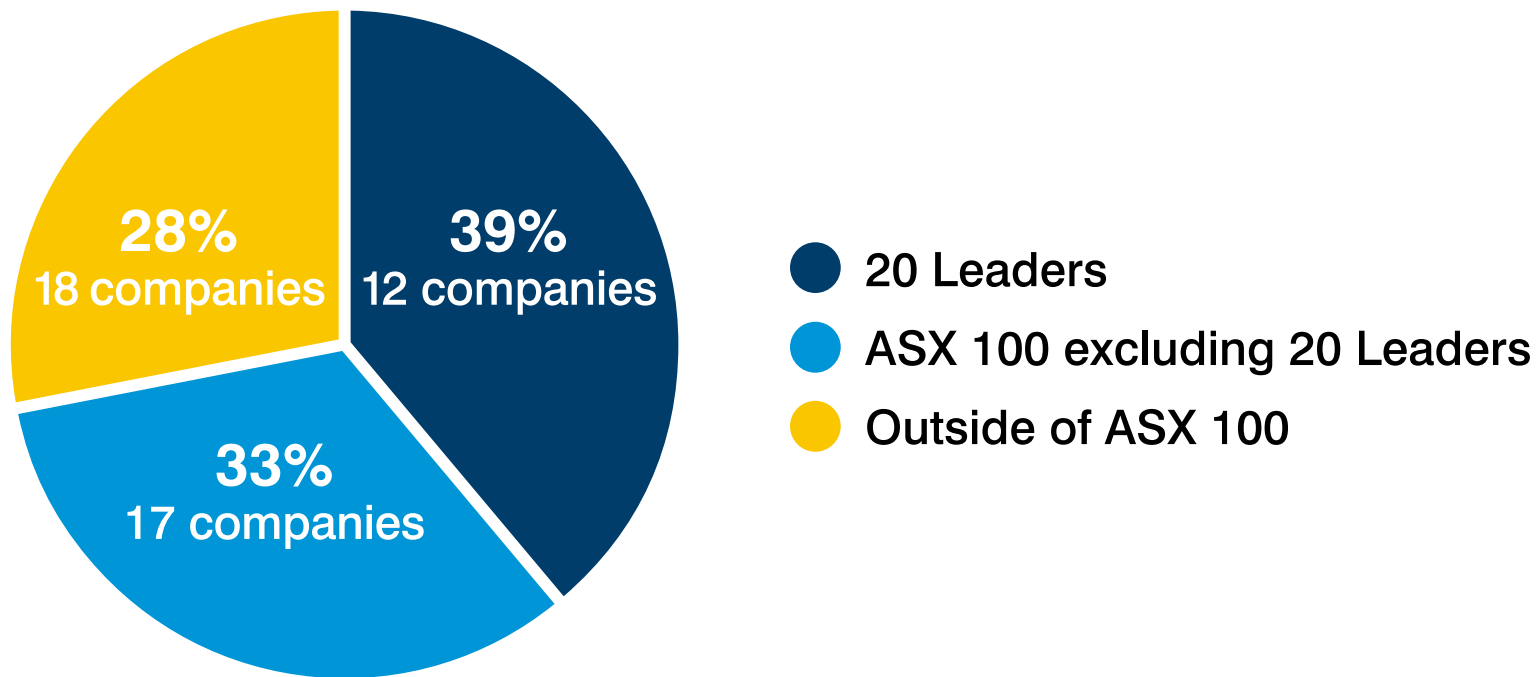
Aim is to provide:

- attractive returns through strong capital growth over the medium to long term; and
- the generation of fully franked income – dividend paid annually.

Our size means small companies can have an equally important impact on portfolio returns as large ones.

Use of the trading portfolio and buy and write option strategies to generate additional fully franked income.

Current Profile of the Portfolio by Value - as at February 2018



Half Year Summary – to 31 December 2017

Profit for the Half-Year

\$2.6m

Up 9.1% from 2016

Total 6 Month Shareholder Return

1.2%

Share price plus dividend

Management Expense Ratio

0.66% Annualised

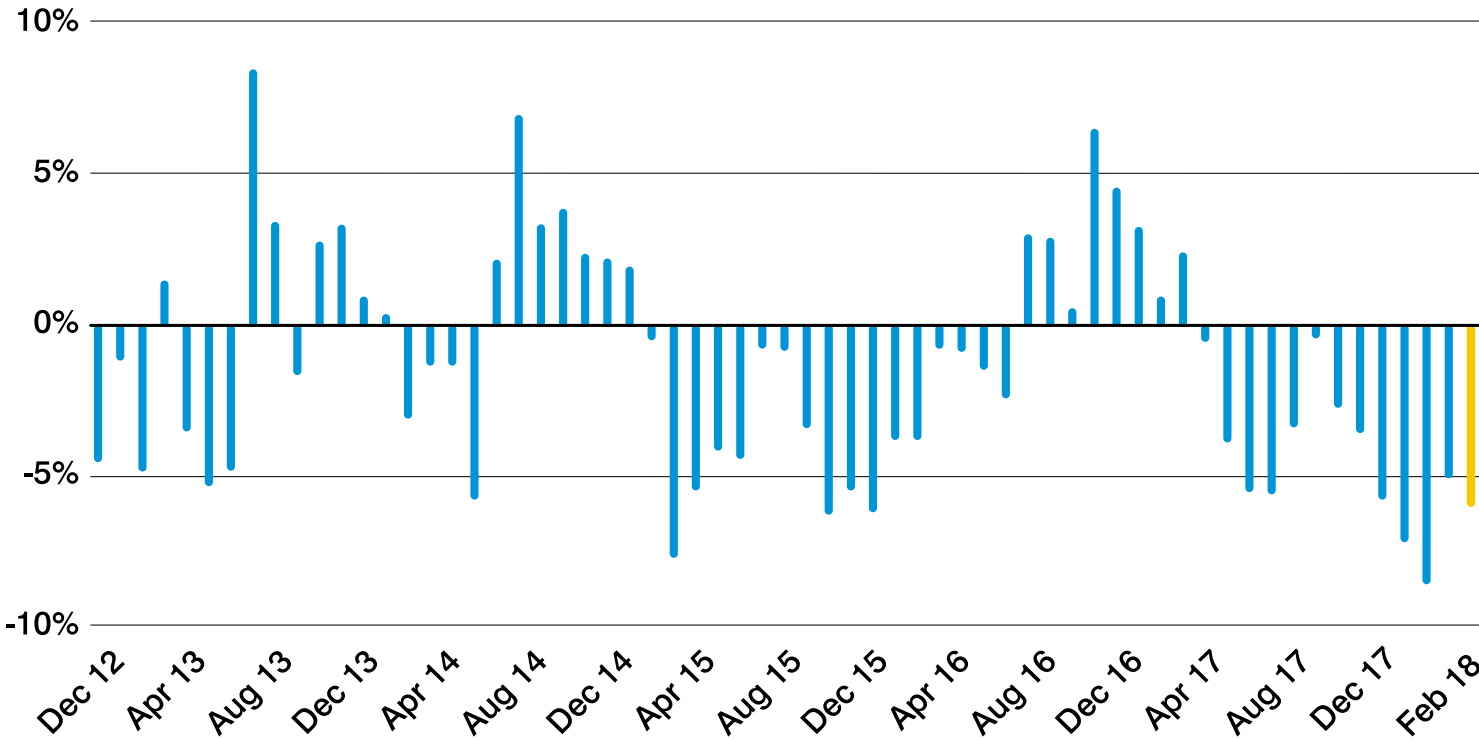
0.64% in 2016

Total Portfolio

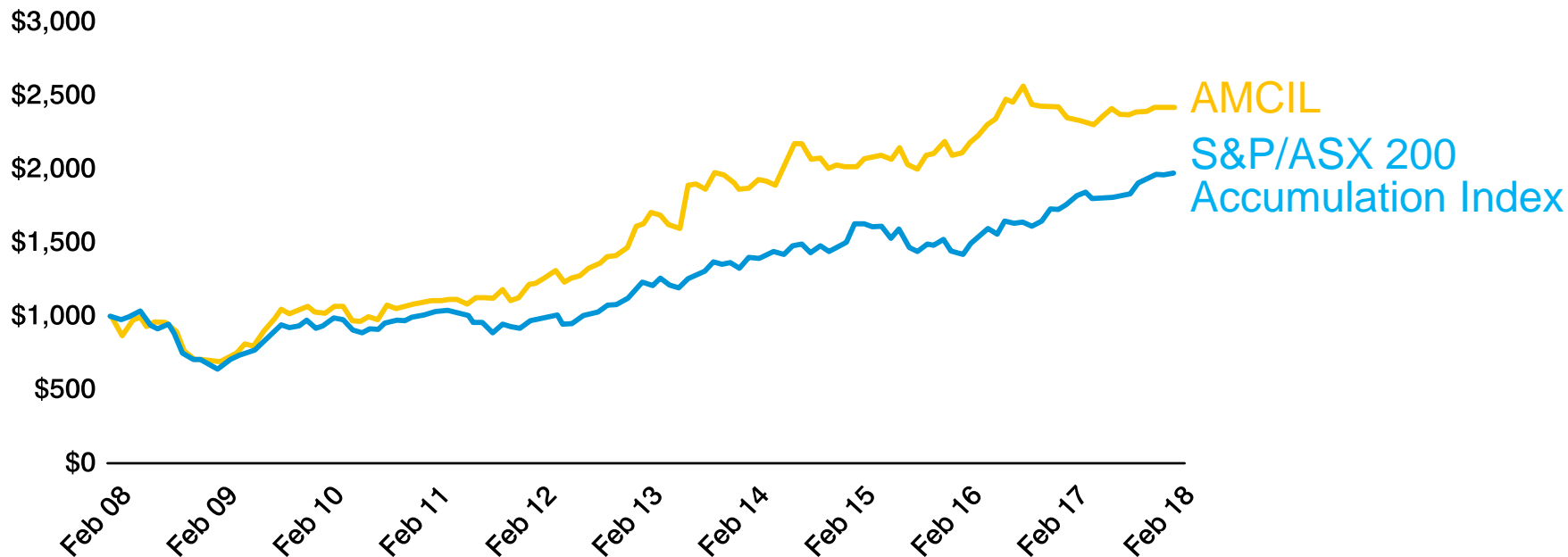
\$254.6m

Including cash at 31 December 2017
\$242.0 million in 2016

Share Price is Trading at a 6% Discount to Net Asset Backing



Share Price Return Including Dividends and Benefit of Franking Credits – 10 Years to 28 February 2018



* Assumes the reinvestment of dividends. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

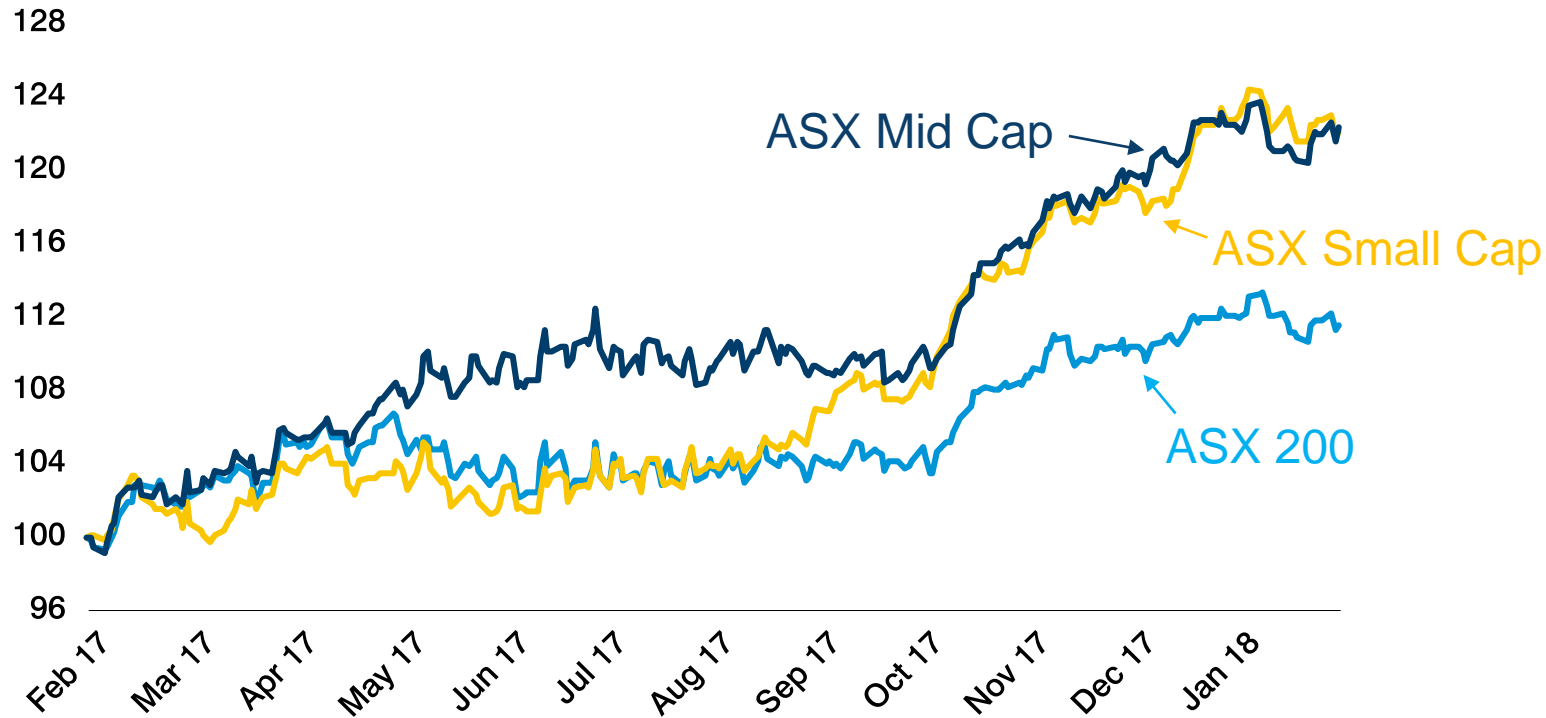
Changes to Tax Legislation – Franking Credits

- The Federal Government has proposed retrospective legislation to prevent Investment Companies claiming the lower company tax rate until 2023–24.
- We are still waiting for it to be enacted. If passed AMCIL will continue to pay tax at 30%, and frank its dividends at 30% until 2023–24.
- This includes the 3.5 cent final dividend (franked at 27.5%), paid to shareholders in August 2017. If legislation is confirmed, AMCIL will re-issue a dividend statement before the end of the financial year.
- What does it mean for franking credits? – assuming a dividend of \$100:
 - *previous dividend with franking credits at 27.5% of \$37.93 will be replaced.*
 - *new statement showing dividend of \$100 with franking credits at 30% of \$42.86.*
 - *does not change shares issued under DRP or cash payment.*



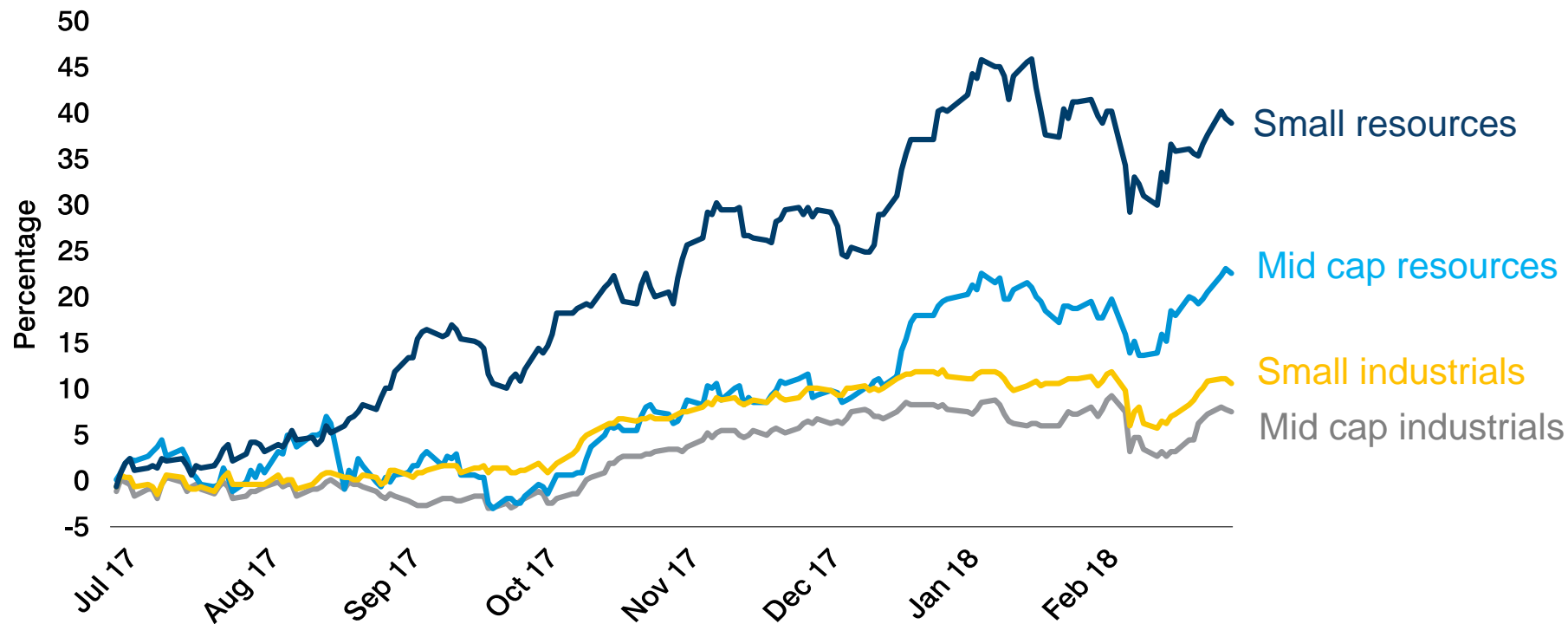
The Market and Portfolio

The Market has Been Strong with Small and Mid Cap Companies Delivering Outperformance

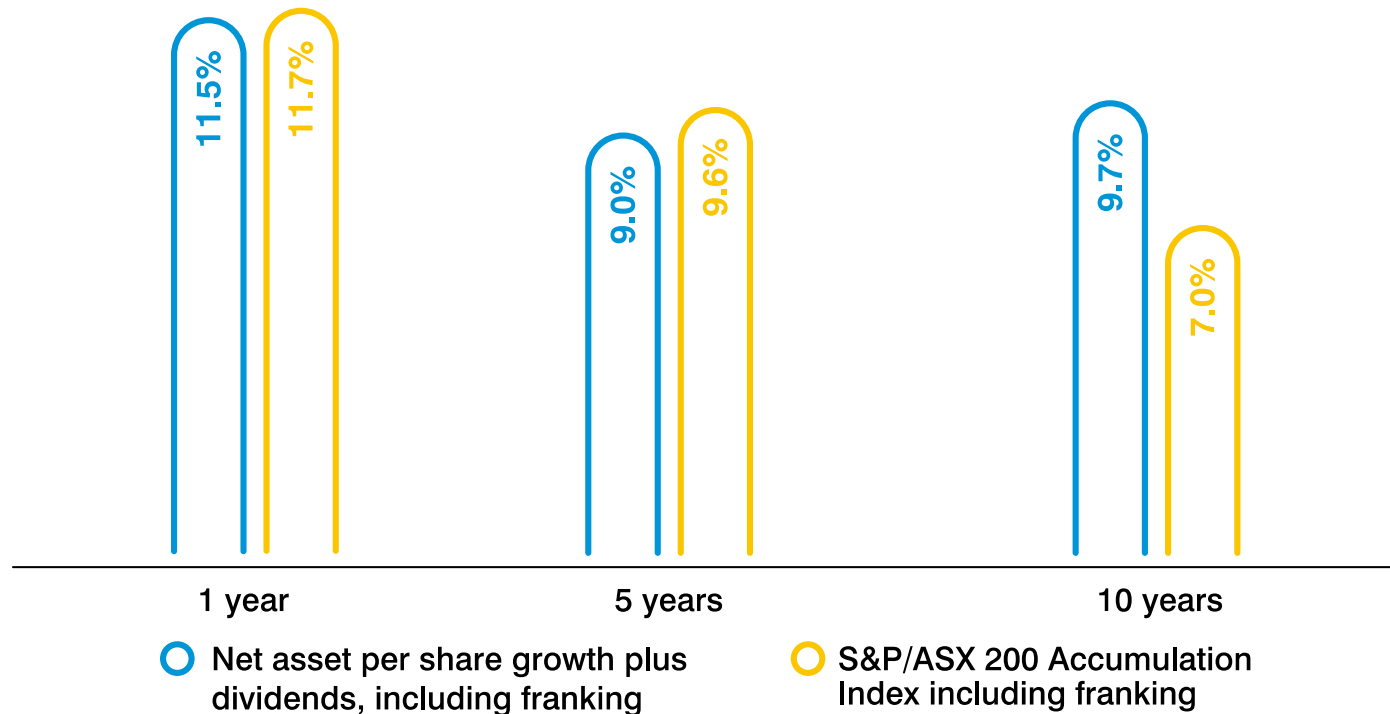


Source: FactSet

With Resources Very Strong in the Small and Mid Cap Sectors



Portfolio Performance Including Benefit of Franking Credits* – to 28 February 2018



* Assumes an investor can take full advantage of the franking credits. After tax and expenses. Ignores benefits of LIC tax credits.

Strongest Contributors for the Financial Year to Date

The logo for BHP, consisting of the letters "BHP" in a bold, orange, sans-serif font.The logo for Lifestyle Communities, featuring the word "Lifestyle" in a black script font with an orange underline, and the word "COMMUNITIES" in a smaller, orange, sans-serif font below it.The logo for CSL, consisting of the letters "CSL" in a bold, red, sans-serif font with a small "TM" trademark symbol.The logo for Computershare, featuring a stylized purple "C" icon followed by the word "computershare" in a purple, sans-serif font.The logo for Objective, featuring the word "Objective" in a bold, black, sans-serif font with a blue horizontal bar underneath.The logo for seek, featuring a blue circular icon with a white dot pattern on the left and the word "seek" in a black, sans-serif font on the right.

Positioning of the Portfolio – Larger Companies

Offering Growth



WOOLWORTHS GROUP



For Buy and Write Option Strategies



Positioning of the Portfolio – Growth Companies

Very Good Management, Credible Growth, Unique Product Positions.



Positioning of the Portfolio – Value Opportunities



Top 20 Investments as at 28 February 2018

Rank	Company	% of Portfolio
1	BHP*	7.5%
2	Westpac Banking Corporation*	4.7%
3	National Australia Bank*	4.6%
4	CSL*	4.4%
5	Lifestyle Communities	4.2%
6	Commonwealth Bank of Australia*	4.0%
7	Qube Holdings	3.1%
8	Mainfreight	3.0%
9	Oil Search*	2.8%
10	James Hardie Industries*	2.7%

* Indicates that options were outstanding against part of the holding.

Note percentage of Portfolio excludes the impact of cash holding at \$6.5 million.

Top 20 Investments as at 28 February 2018 continued

Rank	Company	% of Portfolio
11	Transurban Group	2.5%
12	Seek*	2.4%
13	Computershare*	2.3%
14	Amcor*	2.2%
15	CYBG*	2.2%
16	Rio Tinto*	2.1%
17	Freedom Foods Group	2.1%
18	Wellcom Group	2.1%
19	Woolworths Group*	2.0%
20	Sonic Healthcare*	2.0%

* Indicates that options were outstanding against part of the holding.

Note percentage of Portfolio excludes the impact of cash holding at \$6.5 million.

Major Sales This Financial Year



TREASURY
WINE ESTATES

Complete disposal



Under a takeover offer complete disposal

Moving Forward

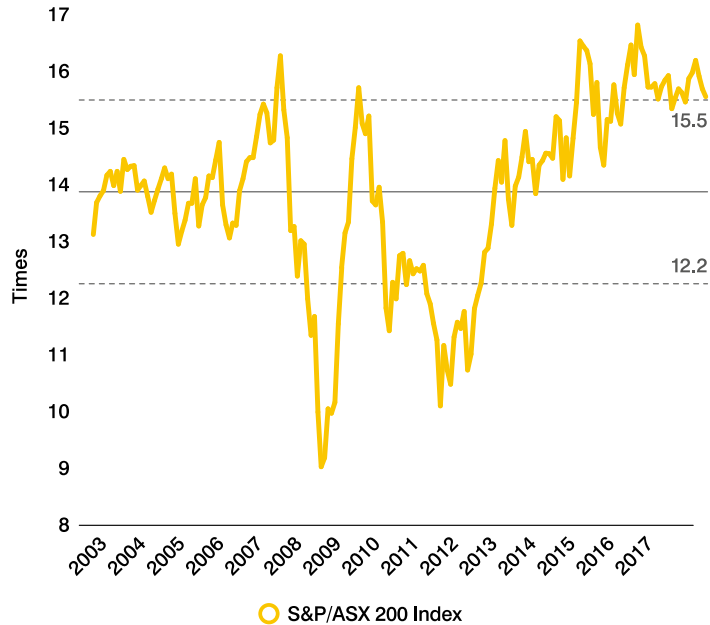


Moving Forward

- AMCIL close to fully invested.
- Company reporting season was satisfactory without being outstanding
- Great value remains difficult to find.
- Increased volatility from US interest rate rises (and policy positions) may provide investment opportunities.

Moving Forward continued

Whilst the 1 year forward p/e for the S&P/ASX 200 index has moved down...



Source: FactSet

Stocks in the Goldman Sachs 'High Multiples' screen trade at an average forward P/E of 29x, 43% above the 15-year average.



Source: Goldman Sachs

