



11 October 2018

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**AMCIL Limited
2018 Annual General Meeting Presentation**

Dear Sir / Madam

Please find attached a presentation that will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M Rowe', written over a light blue horizontal line.

Matthew Rowe
Company Secretary



Annual General Meeting 2018 Presentation



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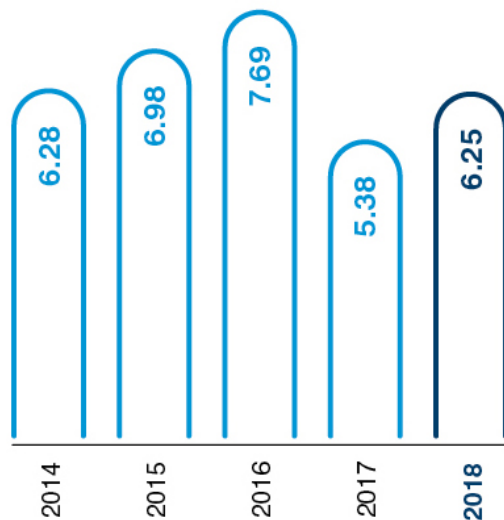
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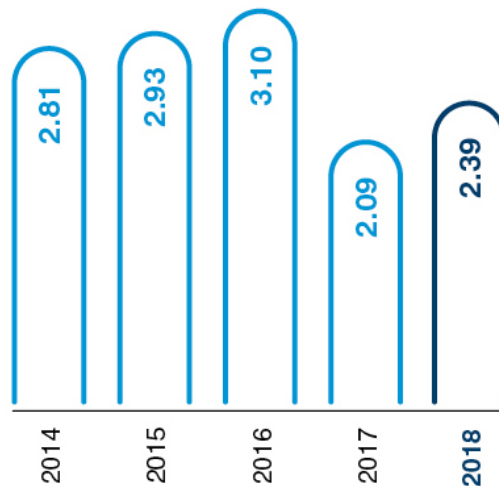
Financial Results

Financial Results

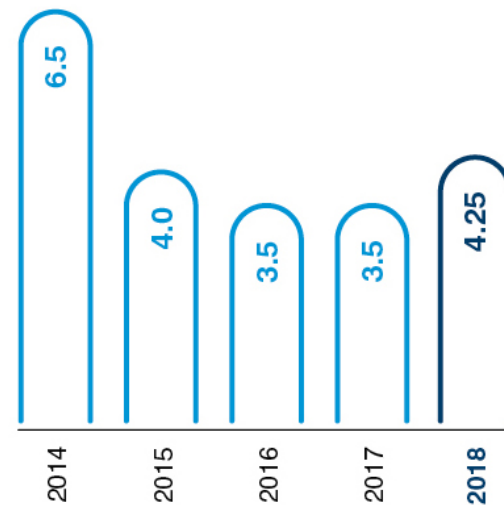
Profit After Tax (\$ Million)



Net Profit Per Share (Cents)



Dividends Per Share (Cents)



Management expense ratio of 0.69%

Tax Legislation – Franking Credits

- As previously highlighted the Federal Government was considering retrospective legislation to prevent Investment Companies claiming the lower company tax rate – this has now been legislated.
- The last two final dividends, paid in August 2017 and August 2018, were franked using the corporate tax rate of 27.5% (being the legislated tax rate at that time).
- Following the passing of this legislation, the corporate tax rate used to determine the franking credit for these two dividends will now be 30%.
- Revised dividend statements were sent to shareholders on 21 September 2018
- 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.

Labor Party Policy on ending refundability of franking credits – our response

- AMCIL has provided a template letter on its website for shareholders to write to their parliamentary representatives - **personal examples are likely to have the biggest impact on local members.**
- We have engaged through various industry groups to lobby on your behalf.
- Publicised where appropriate through the media.
- Submission by AMCIL to the house economics committee.

Email: economics.reps@aph.gov.au

Mail: Committee Secretary
Standing Committee on Economics
PO Box 6021, Parliament House, Canberra ACT 2600

The Investment Approach

A close-up photograph of two people working together at a desk. One person's hand is pointing at a laptop screen, while the other's hand holds a pencil over a document. The background is blurred, showing a professional office setting.

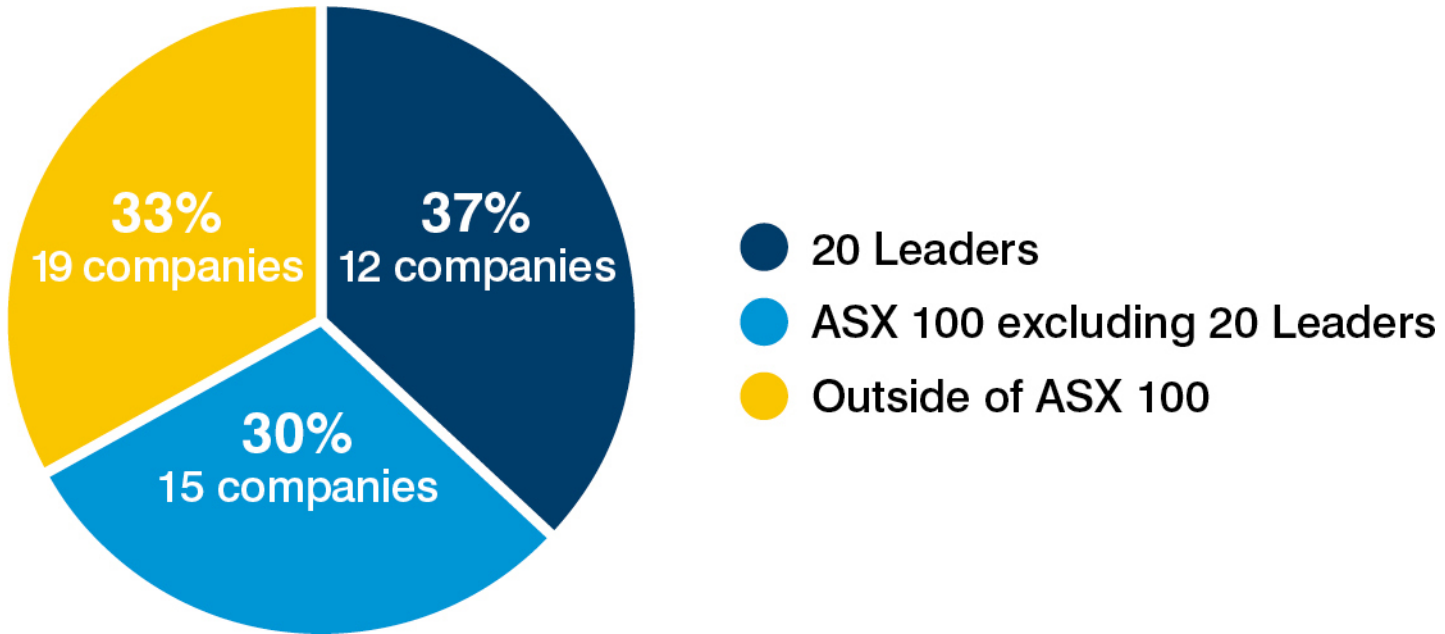
AMCIL's Approach

Focused portfolio covering large and small companies.

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

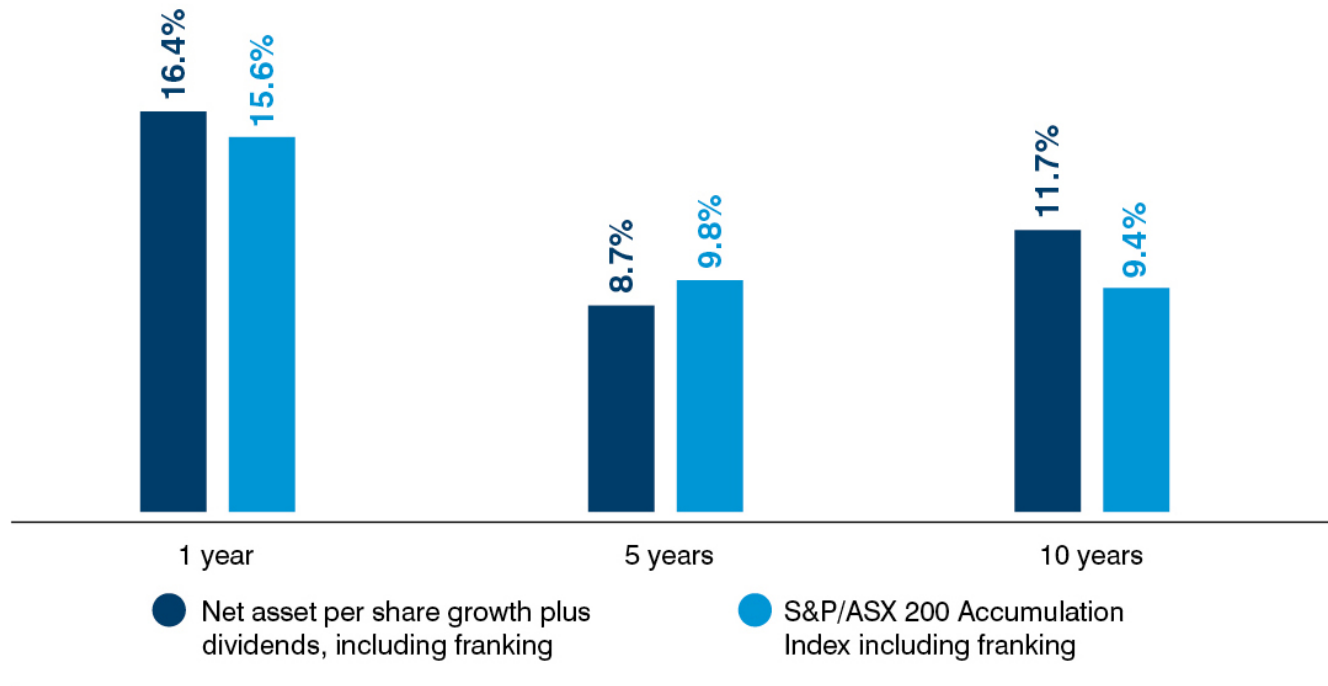
Use of the buy and write option strategies and small trading portfolio to generate additional fully franked income.

Profile of the Portfolio by Value – as at September 2018



Portfolio Performance Including Benefit of Franking Credits*

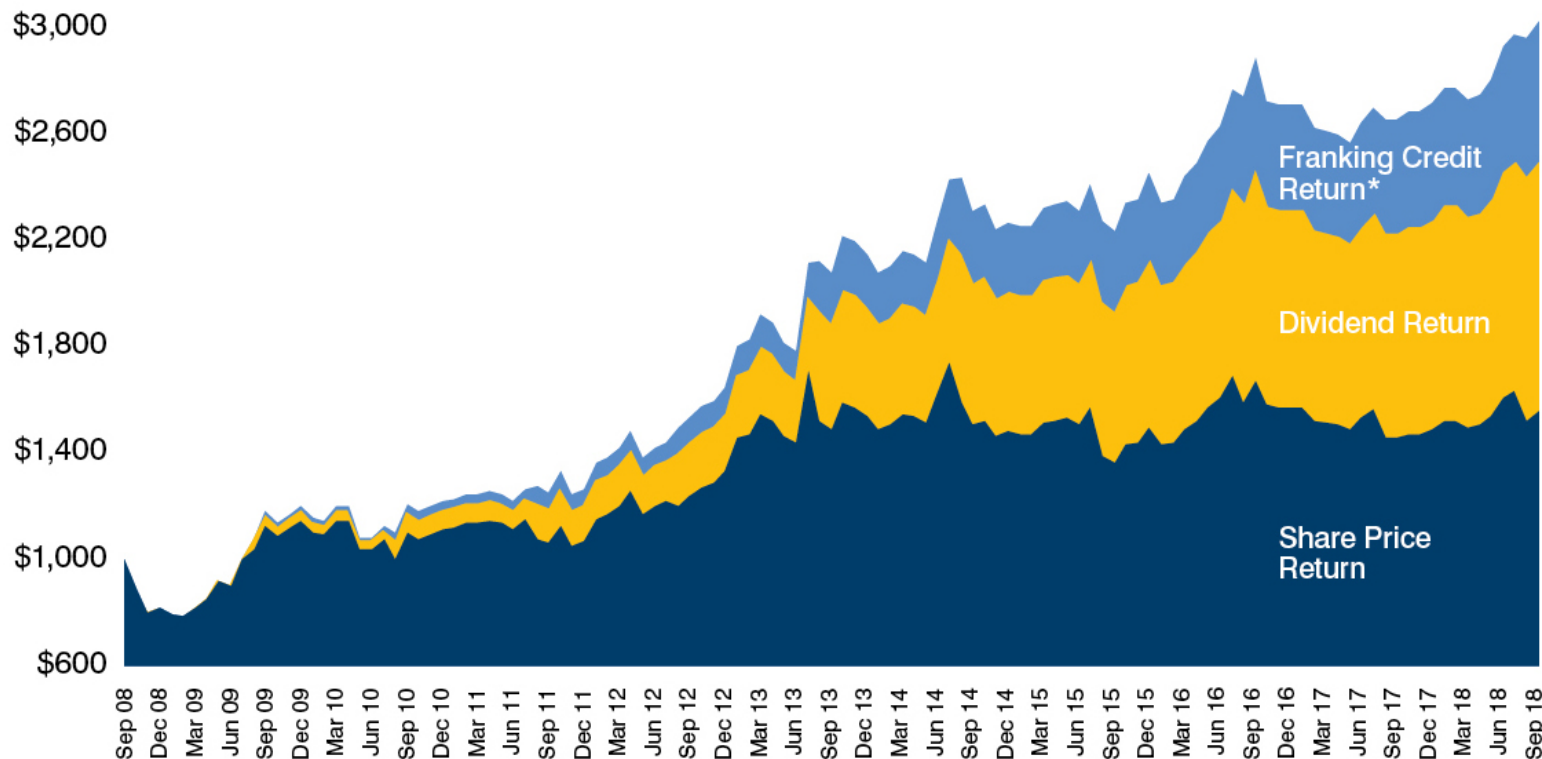
– to 30 September 2018



After tax and expenses. Ignores benefits of LIC tax credits.

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

Components of Share Price Return – 10 Years to 30 September 2018



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

How AMCIL Invests – What we Look for in Companies

Quality First

Board and management, financial position, as well as some key financial metrics – the level of gearing and cash flow.



Growth

Including dividends

Ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.



Value

Value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.



Portfolio of small and large companies that is actively managed to deliver superior returns

The Portfolio is Positioned Around the Following Key Attributes

Core Holdings

Large companies with strong structural positions.



WOOLWORTHS GROUP



Businesses with long term growth opportunities, many of which are outside top 20 ASX.



The Portfolio is Positioned Around the Following Key Attributes continued

Strategic Holdings

Companies in a
cyclical/turnaround phase
with earnings upside



Latent value
in assets



Income, including
option strategies



Some Recent Adjustments to the Portfolio

New Additions



Complete Sales



Top 20 Investments as at 30 September 2018

Rank	Company	% of Portfolio
1	CSL	5.9%
2	BHP	5.5%
3	Lifestyle Communities	3.6%
4	Westpac Banking Corporation*	3.6%
5	Macquarie Group	3.6%
6	Mainfreight	3.5%
7	Qube Holdings	3.1%
8	Oil Search*	3.1%
9	National Australia Bank*	2.9%
10	Commonwealth Bank of Australia*	2.8%

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

Top 20 Investments as at 30 September 2018 continued

Rank	Company	% of Portfolio
11	James Hardie Industries	2.8%
12	Transurban Group	2.7%
13	CYBG	2.5%
14	Freedom Foods Group	2.4%
15	Brickworks	2.3%
16	Carsales.com	2.2%
17	Woolworths Group*	2.2%
18	IRESS*	2.2%
19	Computershare*	2.1%
20	Sonic Healthcare	2.1%

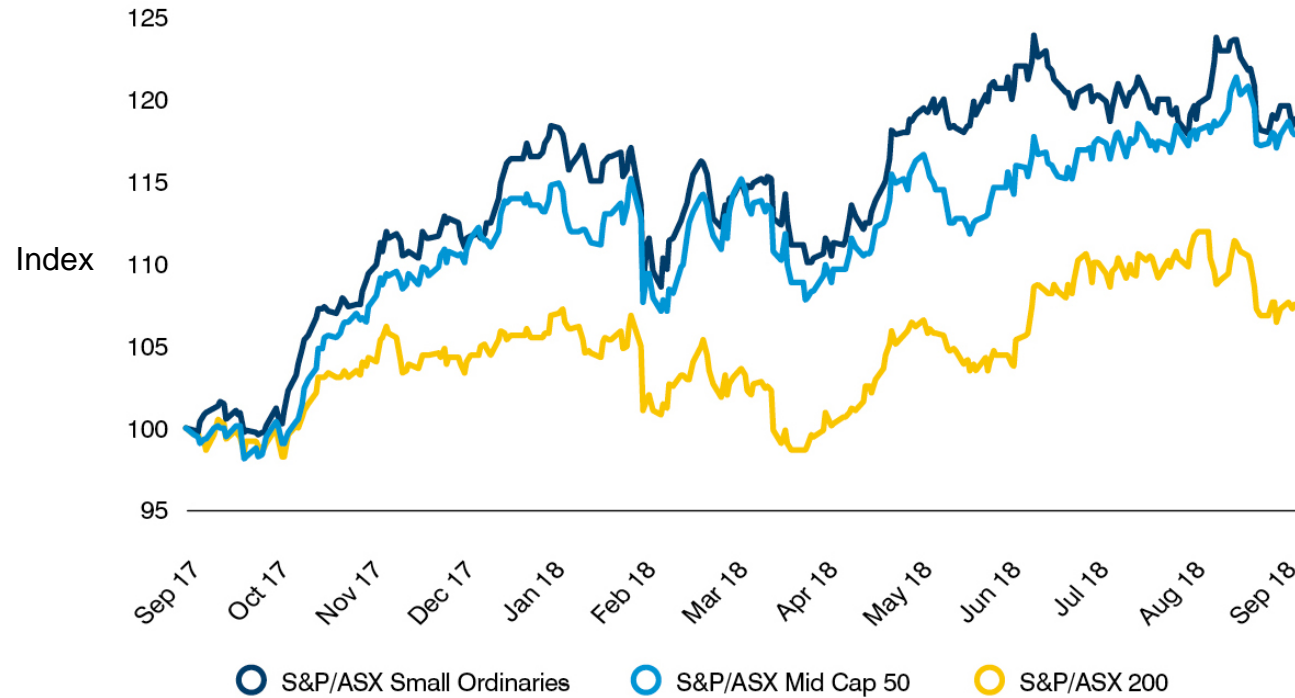
* Indicates that options were outstanding against part of the holding.



The Market and Closing Comments

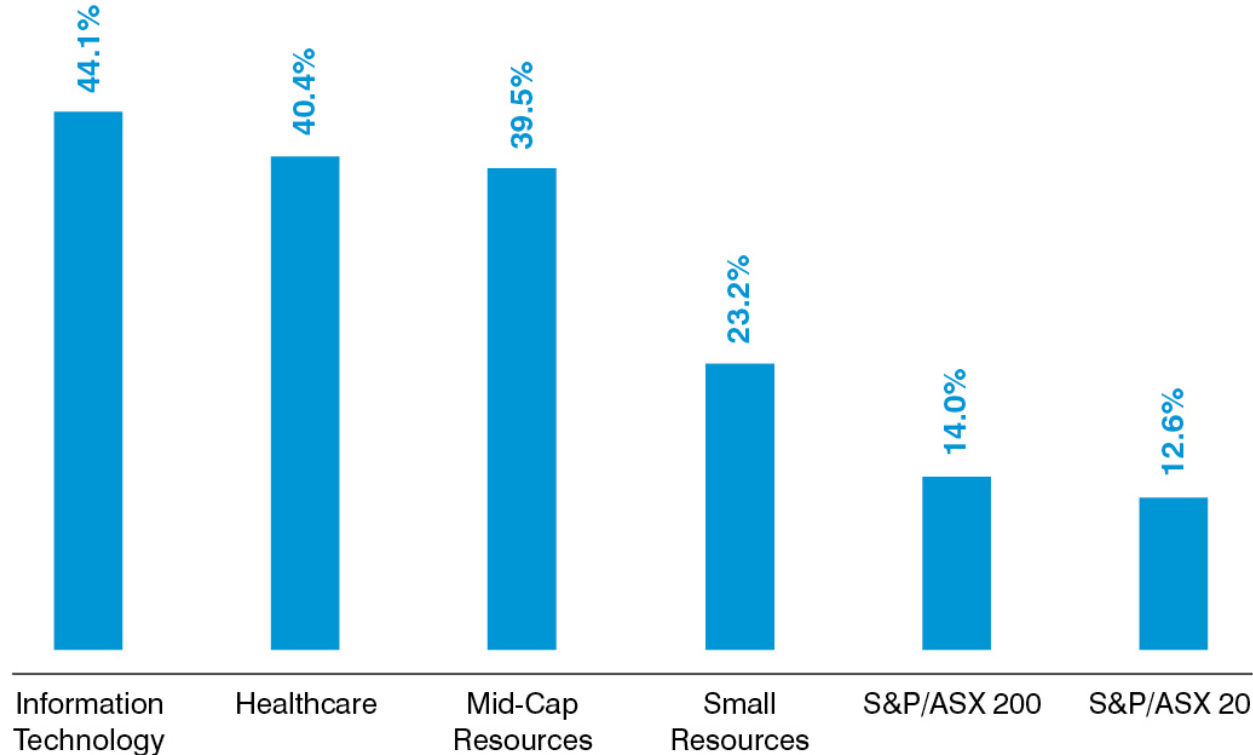
Small and Mid Caps Continue to Drive Market Returns

– Year to 30 September 2018



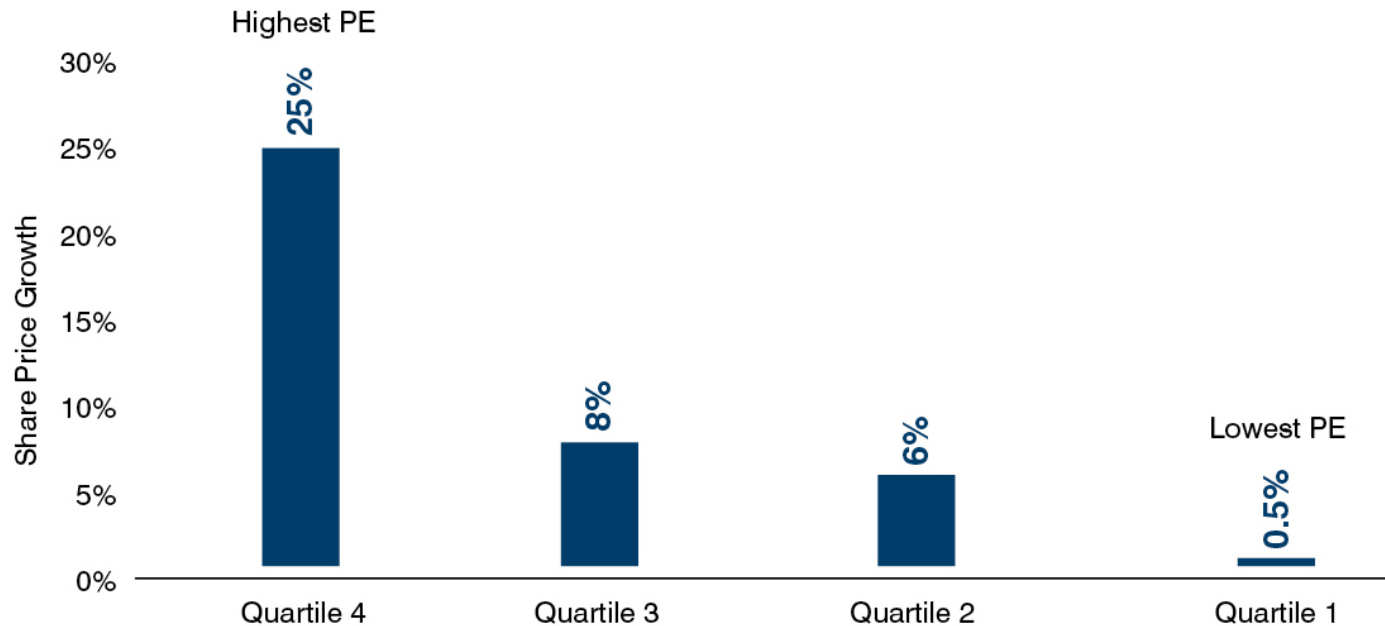
Source: FactSet

Divergence of 1 Year Returns* to 30 September 2018 Across Sectors – ‘Growth’ Sectors at Elevated Levels



*Includes dividends

The market has been willing to pay up for high PE stocks which have outperformed low PE names by 25% year to date



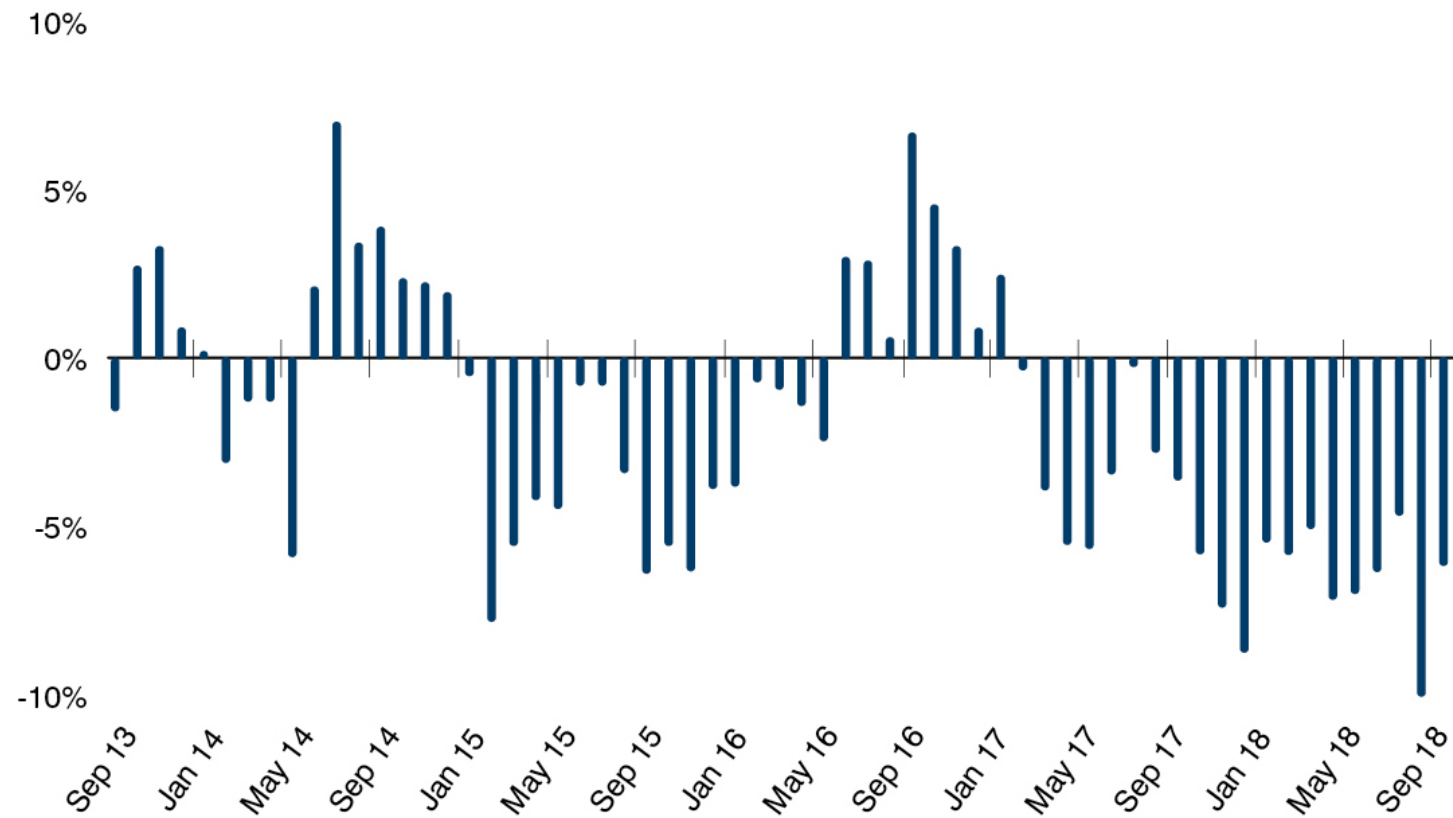
○ Performance by PE quartile at start of year (ASX 200 ex resources, market cap weighted).

Source: FactSet, UBS

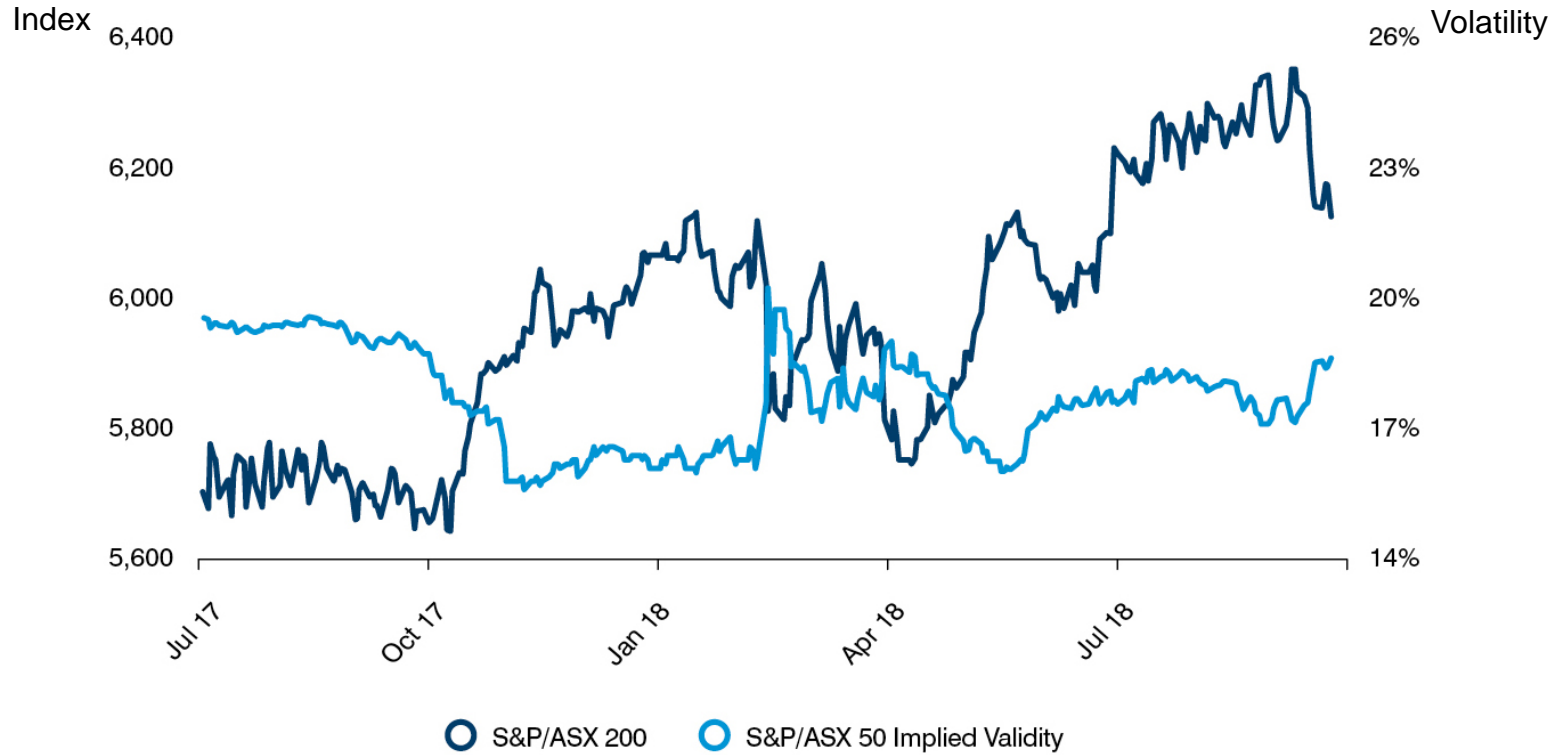
Details of Share Purchase Plan (SPP) Announced 20 September

- Up to a maximum of \$15,000 per registered shareholder.
- Shares issued under the SPP will rank equally for future dividends.
- Price determined by VWAP 5 days up to including closing date – no discount.
- Record date 19 September, applications sent 27 September.
- Offer closes Monday, 29 October.
- Shares expected to be issued 7 November .

Share Price Relative to Net Asset Backing



More recently we have also seen a lift in option market volatility which is beginning to provide some opportunities



Issues to Consider

- High prices for many 'growth stocks'.
- Rising interest rates globally (although unlikely in Australia).
- China, including trade tariffs and commodity prices.
- Domestic economy, including impact of elevated debt.
- Financial Services enquiry and potential impacts.
- Threats to franking credit regime and more generally superannuation.

