



23 March 2021

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

Djerriwarrh Investments Limited
ABN 38 006 862 693
Level 21, 101 Collins St
Melbourne VIC 3000
T 03 9650 9911
F 03 9650 9100
invest@djerri.com.au
djerri.com.au

Electronic Lodgement

Djerriwarrh Investments Limited Presentation for Shareholder Telephone / Webcast briefing

Please find attached the presentation to be given at the shareholder telephone / webcast briefing being held today, **Tuesday 23 March 2021 at 10.00am (AEDT)**.

To join please use the below link:

Webcast Link: <https://edge.media-server.com/mmc/p/47r3dexc> (This link will open directly in your internet browser).

Alternatively to join via the teleconference, please use the details below:

Telephone: **1800 175 864 (free call within Australia)**
 1300 212 365 (mobile, free call within Australia)
 +61 2 8373 3550 (outside Australia)

Conference ID: **5172613**

Joining the Conference Call:

1. In the 10 minutes prior to the call start time, call the appropriate dial-in number.
2. Enter the Event Plus passcode **5172613**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference. During the call you can indicate if you would like to ask a question by pressing (*1) on your telephone keypad and wait for your name to be announced. International Dial-In Numbers will be available via the Company's website.

The presentation will be available under the News section of the Company's website www.djerri.com.au.

ASX Release authorised by the Company Secretary



Shareholder Presentation 23 March 2021

Disclaimer

Djerriwarrh Investments Limited, its related entity (Australian Investment Company Services Limited, AFSL: 303209) and each of their respective directors, officers and agents (together the *Disclosers*) have prepared the information contained in these materials in good faith. However, no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials (any of which may change without notice) and to the maximum extent permitted by law, the Disclosers disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence on the part of any or all of the Disclosers) for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials. Any reader is strongly advised to make their own enquiries and seek independent professional advice regarding information contained in these materials.

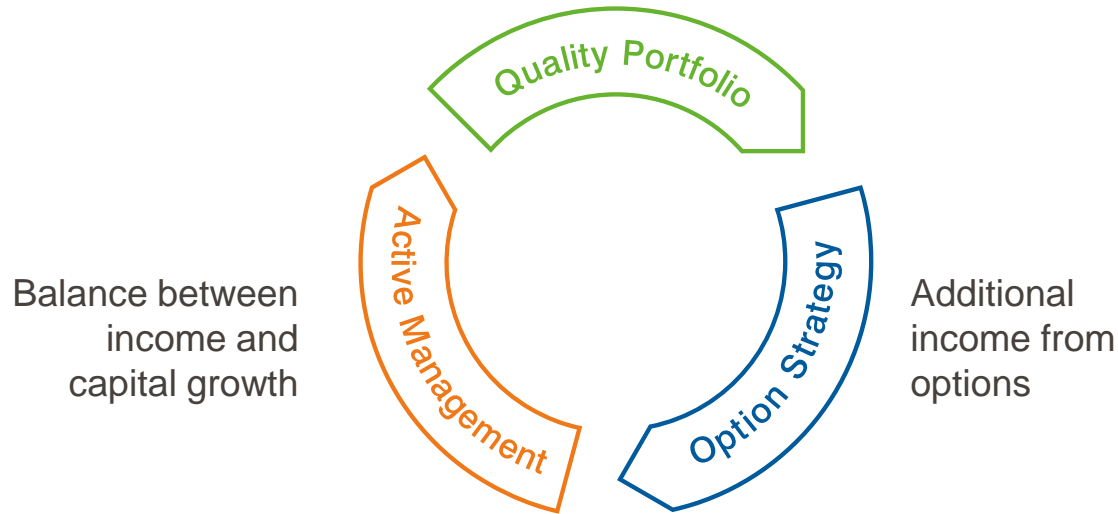
These materials have been prepared solely for the purpose of information and do not constitute, nor are they intended to constitute advice nor an offer or invitation to any person to subscribe for, buy or sell any shares or any other securities.



Objectives

Djerriwarrh looks to construct a portfolio that provides an enhanced fully franked dividend as well as some capital growth over time

Portfolio of high quality companies that can grow their dividend over the long term

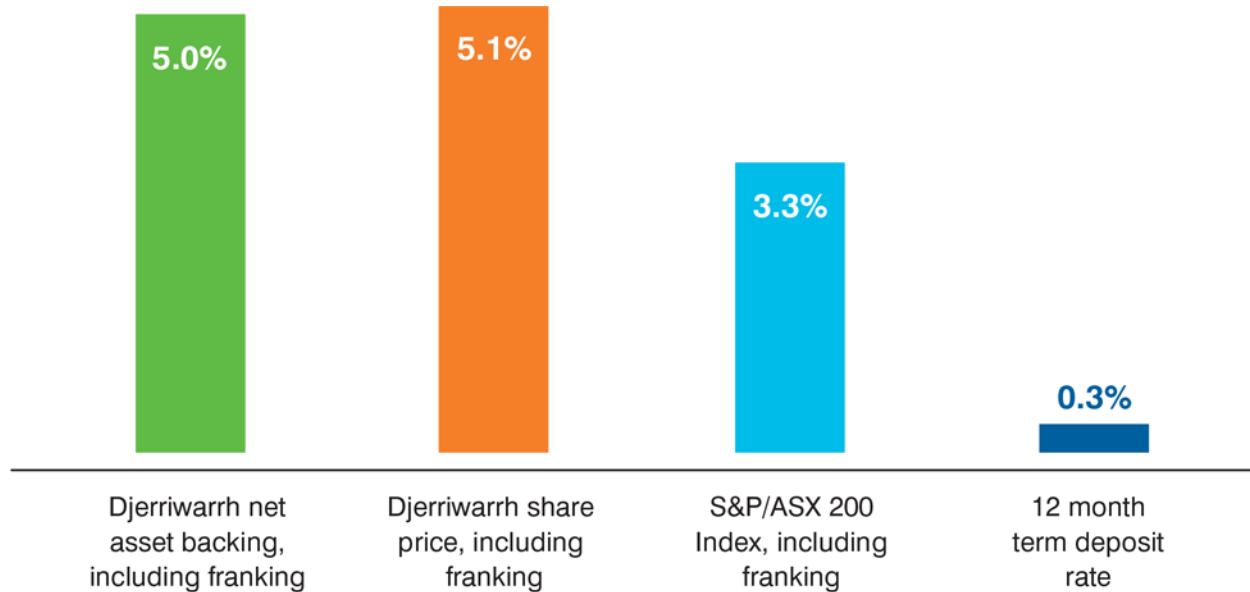


The level of dividend each year is determined by taking into consideration:

- Dividend income received from investments.
- Income generated from option strategies.
- Prudent distribution of capital gains/reserves where appropriate.

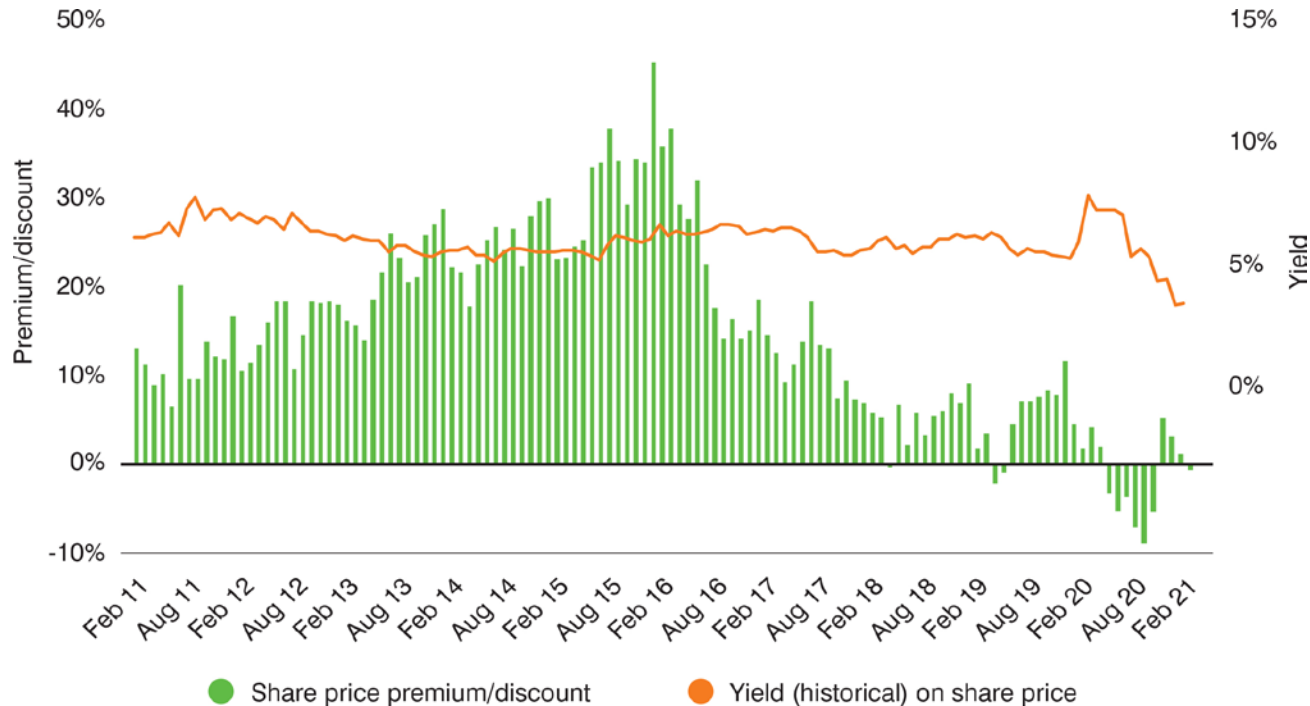
To provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index.

The outcome of this approach is a higher fully franked yield than the market – at 28 February 2021



Assumes an investor can take full advantage of the franking credits. S&P/ASX 200 Index is the historic yield and 70 per cent franked. Given the uncertain economic climate, the figures for Djerriwarrh are based on an annualised interim dividend of 5.25 cents per share fully franked.

The share price to net asset backing appears to trade on the basis of yield or expected yield



Note: yield excludes benefit of franking



**Half-Year in Summary
Share Purchase Plan**

Six Months to 31 December 2020 in Summary

Profit for the Half-Year	<p style="text-align: center;">2020</p> <p style="text-align: center; font-size: 2em; color: green;">\$8.1m</p>	<p>\$24.1 million in 2019</p>	Portfolio Dividend Yield	<p style="text-align: center;">2020</p> <p style="text-align: center; font-size: 2em; color: green;">5.0%</p> <p style="text-align: center; font-size: 0.8em;">Including franking*</p>	<p>S&P/ASX 200 Index Yield 3.8% (grossed up for franking credits)</p>
Net Operating Result for the Half-Year	<p style="text-align: center; font-size: 2em; color: green;">\$11.8m</p>	<p>\$17.1 million in 2019</p>	Management Expense Ratio (Annualised)	<p style="text-align: center; font-size: 2em; color: green;">0.34%</p>	<p>0.35% in 2019</p>
Fully Franked Interim Dividend	<p style="text-align: center; font-size: 2em; color: green;">5.25¢</p>	<p>8.75 cents in 2019</p>	Total 6 Month Portfolio Return	<p style="text-align: center; font-size: 2em; color: green;">14.7%</p> <p style="text-align: center; font-size: 0.8em;">Including franking*</p>	<p>S&P/ASX 200 Accumulation Index including franking* 13.7%</p>

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

Share Purchase Plan

- Raised \$31.2 million.
- 12% of shareholders participated with an average contribution of \$15,900.
- Issue price of shares was \$2.85 per share, noting that the new shares, DJWN, are eligible for fifty per cent of the final dividend that may be declared in respect of the financial year ending 30 June 2021.

A close-up photograph of a person's hands holding a smartphone. The person is using their right hand to hold the phone while their left hand is positioned near the bottom edge. The phone is held over a dark, polished wooden surface, likely a table. The background is softly blurred, showing what appears to be an indoor setting with warm lighting. A solid blue rectangular box is overlaid on the left side of the image, containing the text 'The Portfolio' in white.

The Portfolio

Investment process – portfolio construction

Stock Selection



- Focus on high quality companies that can grow their dividend over the long term.
- Buy these companies at attractive valuations and own them for the long term.
- Avoid yield traps.

Options



- Generate additional income from option writing.
- Sensible call coverage levels based on view of quality, valuation.
- Selective use of put options.

Gearing



- 10 per cent gearing through the cycle to capture extra income.
- Selectively use tactical tilts based on market views – recognising that market timing is very difficult.

Risk Management



- Diversified portfolio of quality companies.
- Daily management of option positions.
- Do not take large market bets – cash and options.

Investing in quality companies

Business Quality

Sustainable competitive advantage

Unique assets producing strong returns on capital

Financial Strength

Balance sheet providing resilience and reinvestment potential

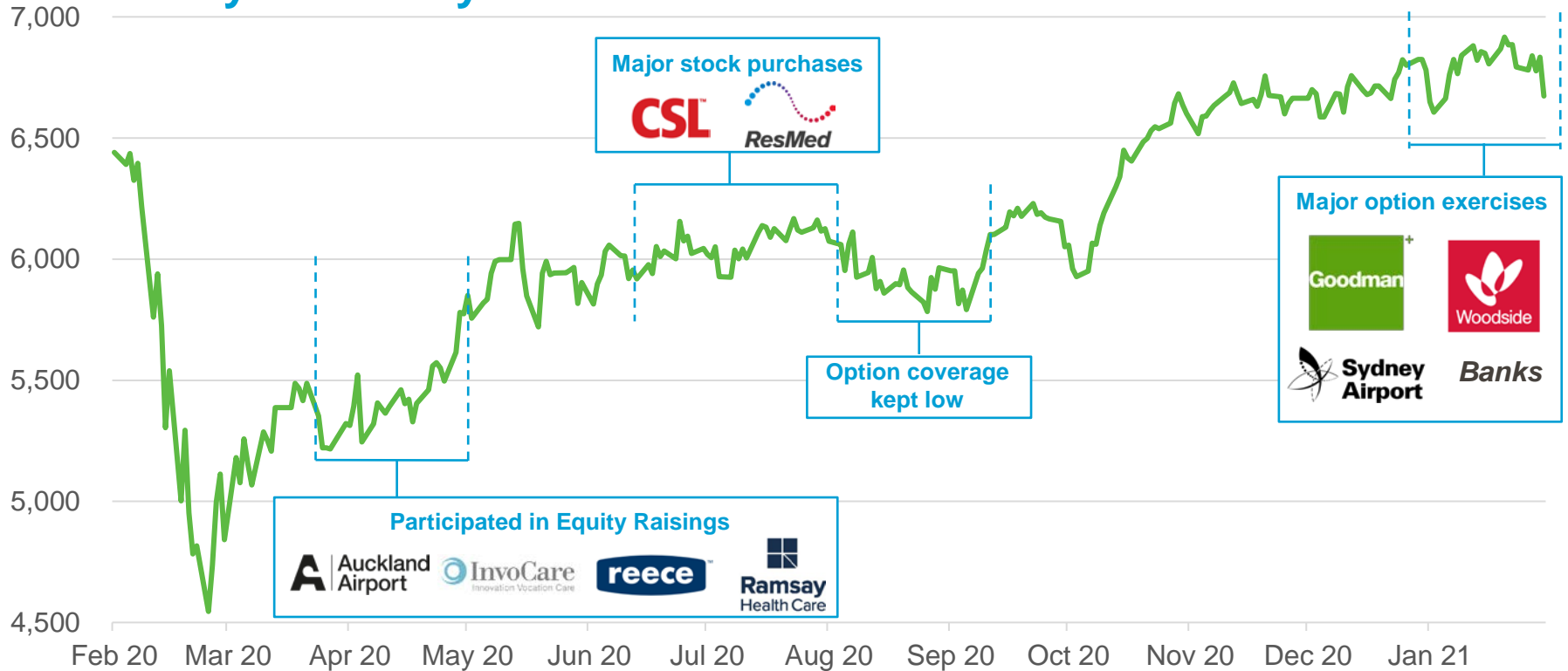
Recurring, predictable earnings and strong cash flow that produce growing dividends

Strong Management Team

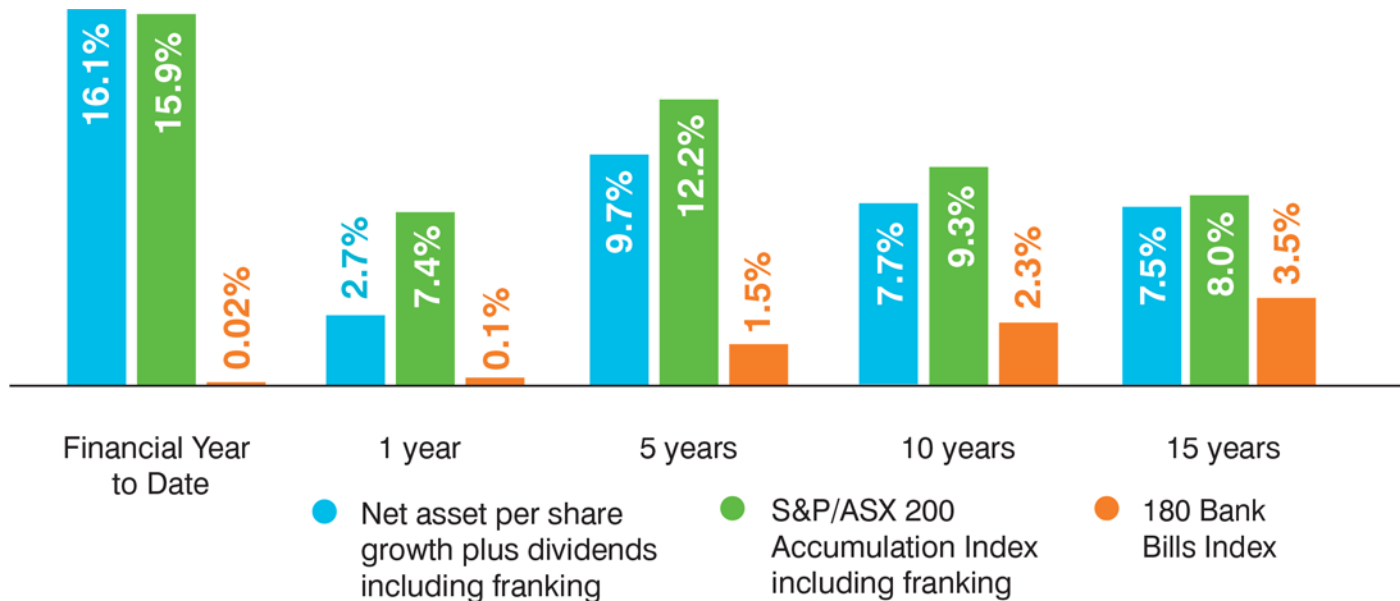
Act like a substantial shareholder, and often are

Experienced, effective, passionate

Market Performance S&P/ASX price index– with key portfolio activity over the year



Whilst it was a difficult year the positioning of the portfolio is starting to produce better results – returns to 28 February 2021*



* Assumes an investor can take full advantage of the franking credits.
Past performance is not indicative of future performance.

Recent activity continues the approach taken in the first half of the financial year

Added to existing holdings



New Holdings



Exited



Option coverage of the portfolio has been kept low – to capture capital growth in the rising market as well as a desired level of option income



Top 20 holdings 28 February 2021

Rank	Company	% of Portfolio
1	BHP Group*	8.3
2	CSL*	6.5
3	Woolworths Group*	5.4
4	Commonwealth Bank of Australia*	5.1
5	Transurban Group*	4.9
6	Westpac Banking Corporation*	4.6
7	Macquarie Group*	4.2
8	ASX*	3.5
9	Telstra Corporation*	3.3
10	National Australia Bank*	3.2

* Options were outstanding against part of the holding.

Top 20 holdings 28 February 2021 continued

Rank	Company	% of Portfolio
11	Australia and New Zealand Banking Group*	2.4
12	Sydney Airport*	2.4
13	Wesfarmers*	2.3
14	Mainfreight	2.3
15	Ancor*	2.1
16	Goodman Group*	2.1
17	Insurance Australia Group*	1.9
18	Oil Search*	1.9
19	Mirrabooka Investments	1.9
20	Rio Tinto*	1.9

* Options were outstanding against part of the holding.

Outlook



Closing comments

- Company reporting season illustrated some companies have managed difficult conditions very well:
 - ✓ Reduced costs
 - ✓ Improved margins
 - ✓ Balance sheets strengthened
- Dividends were generally above market expectations with the Resources sector standing out.
- Expectations for the economy are looking better than first thought – transition from fiscal support measures still to play out.
- Djerriwarrh will consider an appropriate dividend from year to year as business conditions flowing from COVID-19 become more apparent.



Djerriwarrh
AUSTRALIAN EQUITIES, ENHANCED YIELD