

26 August 2021

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@djjerri.com.au
djjerri.com.au

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

Electronic Lodgement

**Djerriwarrh Investments Limited
Statutory Annual Report, Annual Shareholder Review and
Annual General Meeting Documentation**

Dear Sir / Madam

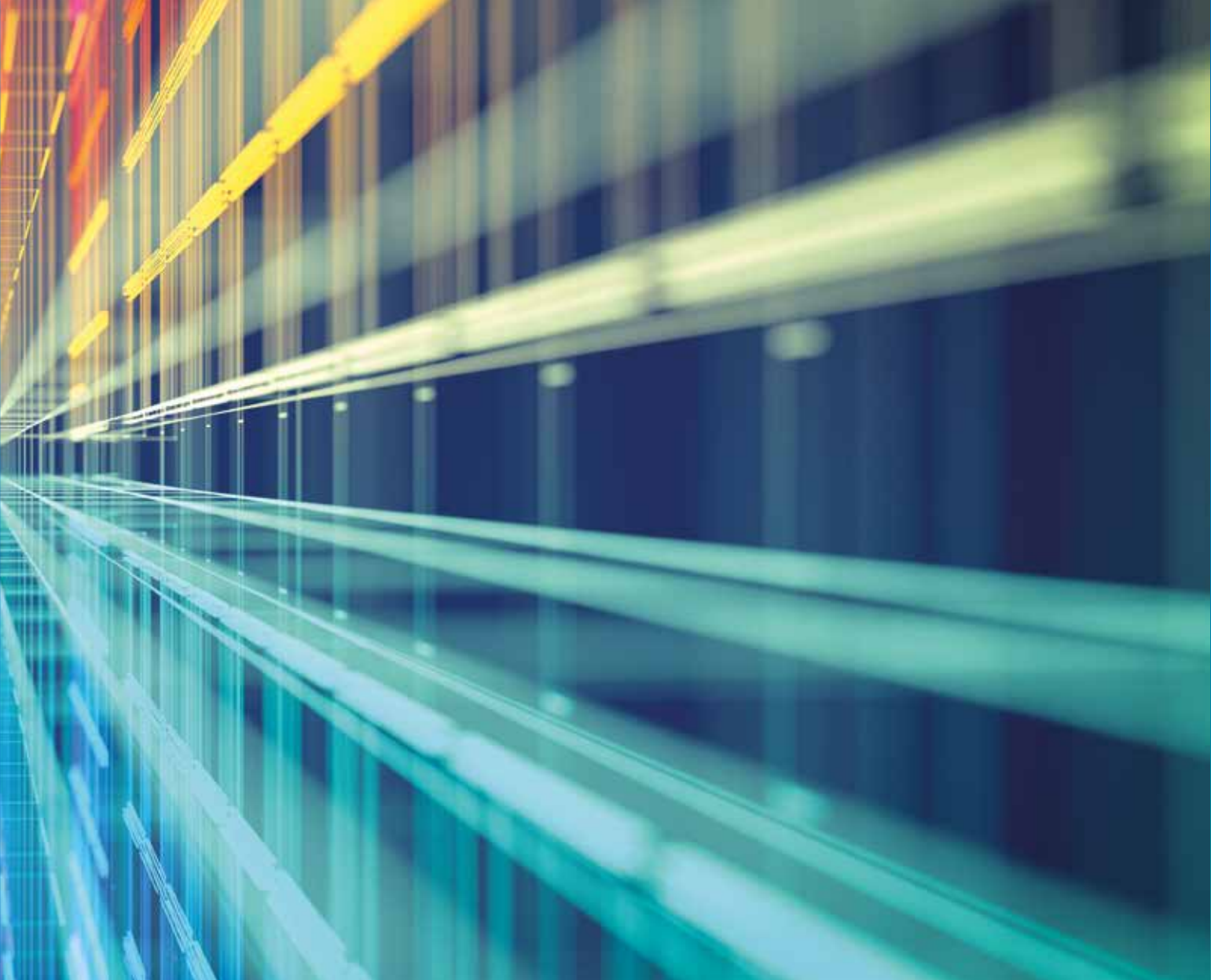
Please find attached the 2021 Statutory Annual Report, Annual Shareholder Review and Annual General Meeting Documentation being sent to shareholders.

Yours faithfully



Matthew Rowe
Company Secretary

Authorised by the Company Secretary



Annual Report 2021

DJERRIWARRH INVESTMENTS LIMITED IS A LISTED INVESTMENT COMPANY INVESTING IN A DIVERSIFIED PORTFOLIO OF AUSTRALIAN AND NEW ZEALAND EQUITIES. FOR STOCKS WHERE THERE IS AN OPTIONS MARKET, THE COMPANY OFTEN USES EXCHANGE TRADED AND OVER-THE-COUNTER OPTIONS TO ENHANCE THE INCOME RETURN TO INVESTORS.

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Year in Summary

2021

Profit for the Year

\$30.5m

Down 7.3%
from 2020

Net Operating Result

\$31.3m

Up 11.5%
from 2020

Fully Franked Dividend

5.75¢
Final

11¢
Total

14 cents total
in 2020

Portfolio Dividend Yield

4.7%
Including franking*

S&P/ASX 200
Index Yield 2.9%
(grossed up for
franking credits)

Management Expense Ratio

0.45%

0.45%
in 2020

Total Portfolio Return

29.6%
Including franking*

S&P/ASX 200
Accumulation Index
including franking*
29.1%

Total Portfolio

\$839.8m

Including cash
at 30 June.
\$680.2 million in 2020

* Assumes a shareholder can take full advantage of the franking credits.

DIRECTORS' REPORT

5 Year Summary

Net Profit After Tax (\$ Million)

2021	30.5
2020	32.9
2019	34.3
2018	31.4
2017	33.7

Net Operating Result (\$ Million)

2021	31.3
2020	28.1
2019	37.6
2018	36.0
2017	33.8

Dividends Per Share (Cents)^(b)

2021	11
2020	14
2019	20
2018	20
2017	20

Notes

(a) Excludes cash.

(b) All dividends were fully franked. For 2021 the final dividend carried attributable LIC gain of 1.43 cents per share. For 2020 nil. For 2019 the final dividend carried attributable LIC gain of 4.29 cents per share and the interim dividend carried an attributable LIC gain of 7.14 cents per share. For 2018 the dividend carried attributable LIC gain of 14.28 cents per share, and for 2017 it was 7.14 cents per share.

(c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

**Investments at Market Value
(\$ Million)^(a)**

2021	838.6
2020	678.7
2019	786.0
2018	758.5
2017	743.9

**Net Asset Backing Per Share
(Cents)^(c)**

2021	332
2020	270
2019	331
2018	331
2017	324

**Number of Shareholders
(30 June)**

2021	16,797
2020	17,301
2019	17,554
2018	18,087
2017	18,490

About the Company

Djerriwarrh Investments Limited is a Listed Investment Company (LIC) investing in a diversified portfolio of Australian and New Zealand equities. For stocks where there is an options market, the Company often uses exchange traded and over-the-counter options to enhance the income return to investors.

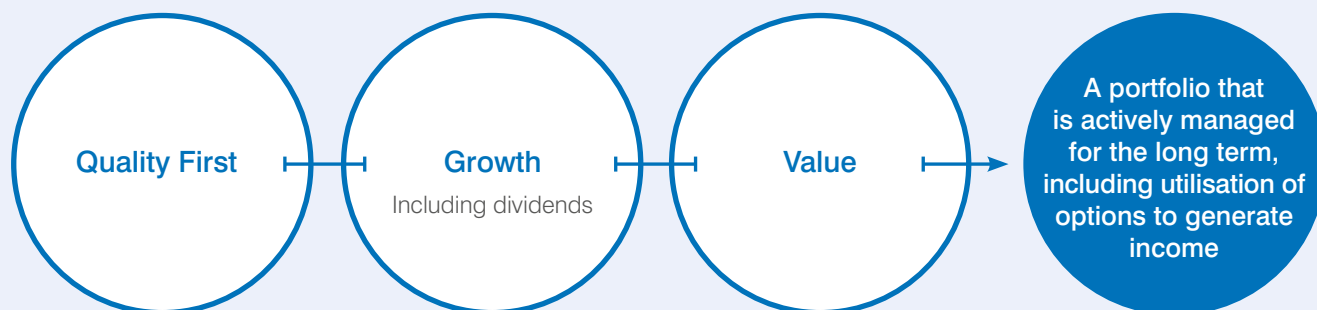
Investment Objectives

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

In this regard the primary investment goals are:

- to pay a higher level of fully franked dividend than is available from the market in general; and
- to provide attractive total return including capital growth over the medium to long term.

How Djerriwarrh Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

The investment philosophy is built on taking a medium to long term view on holding positions in the portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this timeframe.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry are also an important indicator of quality.

Linked to the assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

The view of value of a company is not just based on short term measures of the price earnings ratio and other valuation metrics; rather, value is assessed against our long term investment horizon. The final

component of Djerriwarrh's ability to pay a higher yield is its approach to selling options over part of its investment and trading portfolios. This generates current income from the option premium Djerriwarrh receives for selling the options.

The amount that the Company receives from selling options depends on a number of factors:

- level of volatility in share price anticipated for the underlying stock;
- level of the option exercise price and particularly how far it is from the current share price;
- time to expiry, i.e. how far the option has to run;
- level of interest rates: the lower interest rates are, other things being equal, the lower the option premium received; and
- the percentage of the portfolio over which we are prepared to sell options.

It is our preference for the options to either lapse at expiry or, prior to exercise, to seek to buy the options back and sell new options further out and preferably at

a higher exercise price. From time to time, where the share price increases strongly, we do take decisions to allow the shares to be exercised when we have formed the view that it is in the shareholders' best interest to allow that to occur. Gains or losses on disposals of investments upon the exercise of such options, after applicable tax, are taken to the realised capital gains reserve. Any gains when taxed are available for distribution to shareholders as fully franked dividends. It should be noted option positions are monitored daily and the portfolio is managed to try and maintain an appropriate balance between capital growth and income generation.

Djerriwarrh also has access to lines of credit, which allows the Company to gear its balance sheet when appropriate investment returns are available to enhance shareholder returns.

When it is appropriate, exposure to rising interest rates is also capped.



Approach to Environmental, Social and Governance (ESG) Issues When Investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all Company resolutions as part of our regular engagement with the companies in the portfolio.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

Profit

Full year profit was \$30.5 million, down from \$32.9 million in the corresponding period last year. The result for the year included a demerger dividend of \$6.3 million (which was non-cash and carries no franking) resulting from the Endeavour Group demerger from Woolworths Group. Excluding this figure, the full year profit was \$24.2 million.

Key components of the result were:

- income from investments, excluding the demerger dividend, down from \$28.6 million last year to \$21.7 million this financial year, as the economic impact of the COVID-19 pandemic continued to drag on company dividends; and
- income from option activity was \$12.1 million, significantly higher than the corresponding period last year of \$7.7 million.

The net operating result (which excludes the impact of open option positions and is therefore a better measure of the Company's income from its investment activities) was \$31.3 million. Excluding the demerger dividend, this figure is \$25.0 million. The figure for the corresponding period last year was \$28.1 million.

Dividend

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index, and which is delivered at a low cost to shareholders. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The level of dividend declared each period is determined by taking into consideration the net operating result (which is made up of the dividends received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the net operating



result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The net operating result per share for the 12 months to 30 July 2021 was 13.7 cents per share, up from 12.5 cents per share in the corresponding period last year. Excluding the Endeavour Group non-cash demerger dividend, the figure for the year is 10.9 cents per share, with earnings in the second half of the financial year slightly ahead of the first half.

The final dividend has been increased to 5.75 cents per share fully franked, up 9.5 per cent from 5.25 cents per share fully franked for the corresponding period

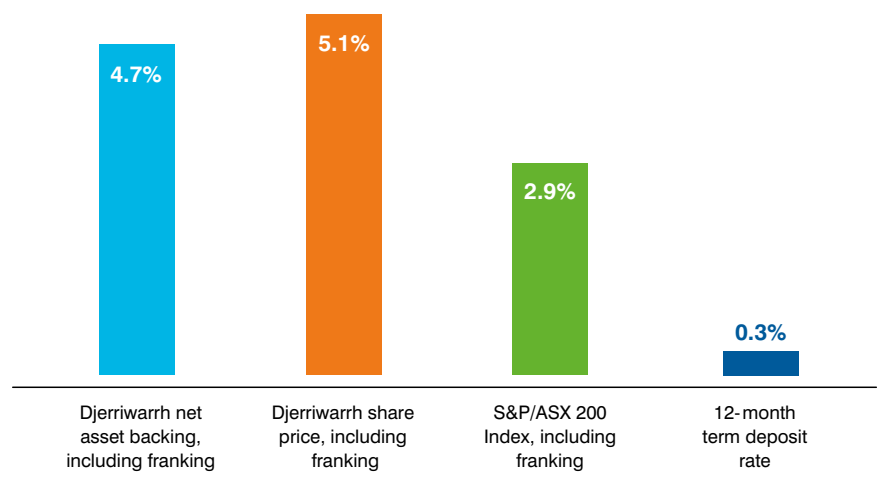
last year. We have been able to increase the final dividend with company dividends higher than expected due to the economy performing better than projected at the start of the year. Total dividends for the year are 11.0 cents per share, broadly in line with underlying net operating result per share for the year. The final dividend contains a 1 cent LIC capital gain. Last financial year total dividends were 14 cents per share.

In February 2021, the Company raised \$31.1 million through a Share Purchase Plan. Shares issued under this plan are entitled to 50 per cent of the total final dividend, that is 2.875 cents per share fully franked.



Based on the total dividend for the year, the dividend yield on the net asset backing at 30 June 2021 was 3.2 per cent and 4.7 per cent, grossed up for franking credits (assuming a shareholder can take full advantage of the franking credits). Based on the net asset backing and including franking, this represents an enhanced yield of 1.8 percentage points higher than that available from the S&P/ASX 200 Index. Based on the share price of \$3.07 (at 30 June 2021), the yield was 3.6 per cent and 5.1 per cent, grossed up for franking.

Figure 1: Relative Yields at 30 June 2021 (Based on Total Dividends for the Financial Year)



Note: 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.

Review of Operations and Activities

continued

Portfolio Returns

The Australian equity market continued its significant climb over the financial year following the low point in March/April 2020 at the height of concerns about the COVID-19 pandemic.

However, as a corollary of this strength in the market, volatility declined over the period and finished the financial year at low levels (Figure 2).

The increase in the Australian market was widespread across sectors, with the banking sector very strong (Figure 3).

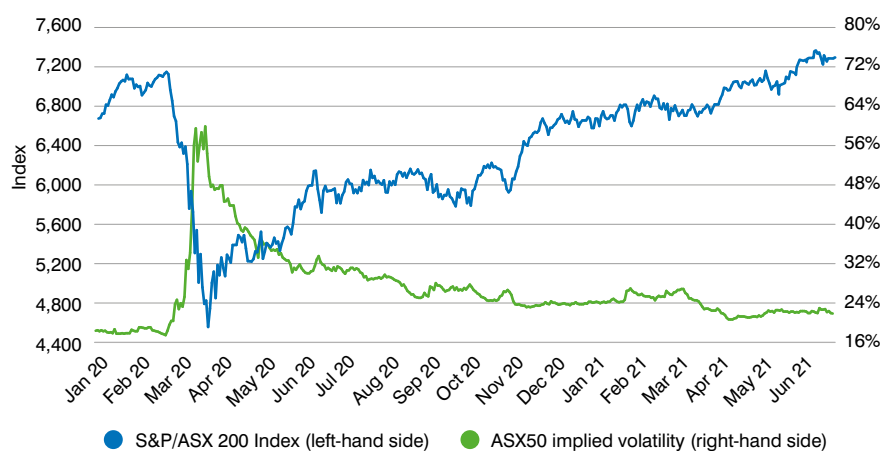
In this environment, the change in the profile of the portfolio, as well as the management of the option positions, has delivered a more appropriate balance of income and capital growth this financial year. The level of option coverage of the portfolio varied during the year between 25 per cent and 38 per cent as we responded to changes in market conditions. After beginning the financial year at 33 per cent, option coverage was reduced from 35 per cent at the end of November 2020 to 28 per cent in February 2021, as many profitable option positions were closed in order to capture option premium income.

Option coverage was not immediately rewritten at this point, so that we could preserve exposure to potential share price gains. As the market subsequently increased to the current all-time highs, option coverage was gradually increased to a level of 38 per cent by the end of June 2021 (Figure 4). These strategies resulted in the generation of significant option premium income, while largely preserving the capital growth delivered by the rising share market.

As a result, Djerriwarrh's total portfolio return, including franking, for the 12 months to 30 June 2021 was 29.6 per cent. This was ahead of the S&P/ASX 200 Accumulation Index return, including franking, of 29.1 per cent (Figure 5).

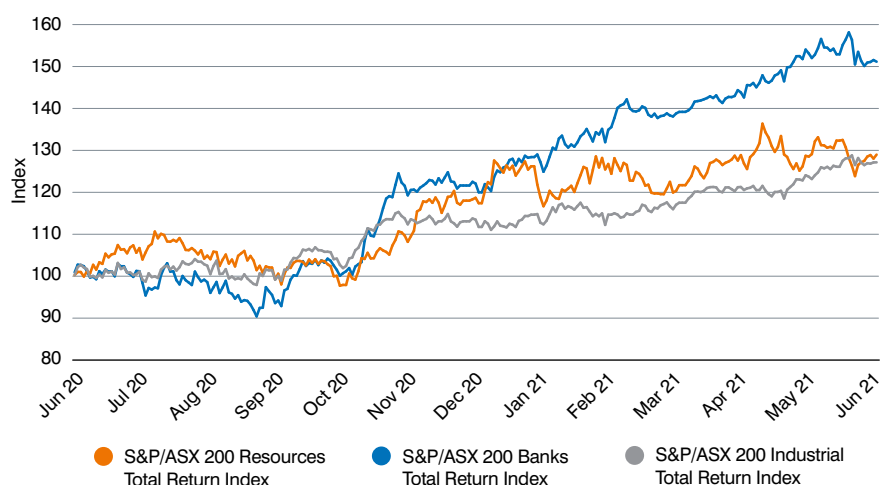
The more significant contributors (including dividends and option income) to Djerriwarrh's portfolio performance over the 12-month period were BHP, Westpac Banking Corporation, Commonwealth Bank, Mainfreight and National Australia Bank.

Figure 2: Performance of the S&P/ASX 200 Index and the Impact on Market Volatility



Source: FactSet

Figure 3: Key Sector Performance for the 12 Months to 30 June 2021



Source: FactSet

Figure 4: Option Coverage as a Percentage of the Portfolio

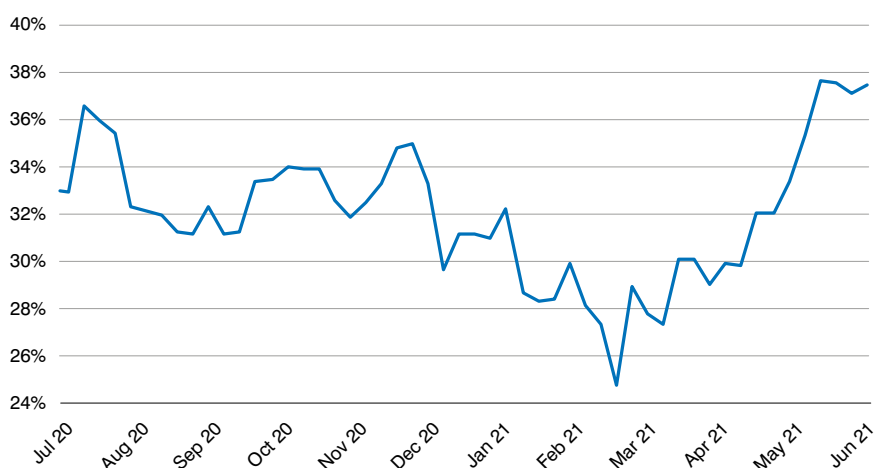
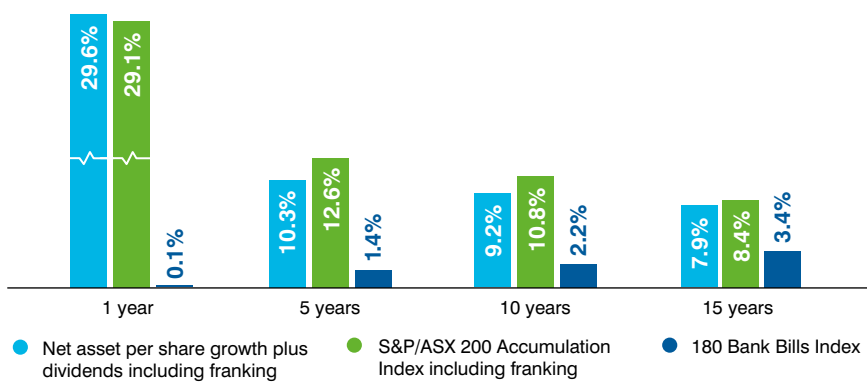


Figure 5: Portfolio Performance to 30 June 2021 – Per Annum Returns, Including the Benefit of Franking Credits*



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. Past performance is not indicative of future performance.

Portfolio Adjustments

Over the last 12 months there has been a continued focus on the strategy to strengthen the overall quality of the companies within the portfolio, while maintaining a suitable balance between short term income yield and long term growth in capital and income. As a result, our sources of income have shifted from companies where dividend growth looks challenged to companies offering a growing dividend profile. This has also improved the capital growth profile of the portfolio.

Major sales for the 12-month period were predominantly as a result of the exercise of call options. This included positions in BHP, Macquarie Group and holdings in each of the four major banks. The bank sector performed extremely well during the year, mostly as a result of a vastly better bad debt outcome compared to what was anticipated at the start of the pandemic. The better economic outlook has also contributed to each of the major banks having very strong capital positions.

During the period we exited a number of holdings as a result of option exercises and active selling, including South32,

QBE, Qube Holdings, Suncorp, Reliance Worldwide Corporation and Scentre Group.

Major purchases for the 12-month period focused on high-quality companies that we assessed as being able to deliver the right mix of income and growth for the portfolio. We therefore made significant increases to existing holdings in companies such as ASX, CSL, Woolworths Group, Carsales.com and Transurban. We also made significant purchases in certain companies to replace stock sold because of option exercises, including BHP and Westpac Banking Corporation.

A number of new companies were also added to the portfolio. This included positions in Equity Trustees, Mirvac Group, AUB Group and Pinnacle Investment Management Group, all of which provide a good balance of income and growth. We also established modest sized positions in companies where we see the potential for long term capital growth, including Fisher & Paykel Healthcare, ResMed, NetWealth, Temple & Webster and FINEOS Corporation. Djerriwarrh also participated in the initial public offering of PEXA Group.

Djerriwarrh utilises debt to take advantage of returns from the investment opportunities on offer. At 30 June 2021, the Company had \$65.0 million of debt with a cash or near cash position of \$6.5 million.



Review of Operations and Activities

continued

Share Price

Share price return for the financial year was positive 25.0 per cent, despite the share price trading at a persistent discount for most of the period. This performance was because of the strong portfolio performance over the financial year, which the share price subsequently tracked. At 30 June 2021, the share price was trading at a discount of 8 per cent to net asset backing.

Moving Forward

The ongoing strength of the market, despite a number of uncertainties, has been a feature over the year as very low interest rates have combined with better investor sentiment from improved economic conditions. This has driven up valuations (Figure 7) and share prices, in some instances, to record highs.

The outlook for dividends across the Australian share market is mostly positive. We expect the rebound in bank dividends to largely continue, supported by a recovering economy and more sustainable dividend payout ratios. There is also the potential for capital returns as a result of their strong balance sheets. High iron ore prices may also provide ongoing strong dividend income from BHP and Rio Tinto. However, a number of companies are unlikely to resume dividend payments in the near term, including Sydney Airport and Auckland Airport.

The other key factor in determining income for the year is option activity which is influenced by market volatility and the level of interest rates. Based on current conditions, our expectation

for option income as compared to that achieved in financial year 2021 is currently more subdued.

As we move into the new financial year, the outlook appears to hinge on a number of factors, including ongoing global demand for key commodities that Australia produces, the response of the central banks to any concerns about inflation and how society is placed with regard to COVID-19 conditions. Irrespective of any short term factors, we believe that the current portfolio settings should enable Djerrivarrh to achieve its objectives of delivering an enhanced level of fully franked income above the market and an attractive total return over the longer term.

Figure 6: Share Price Discount/Premium to Net Asset Backing

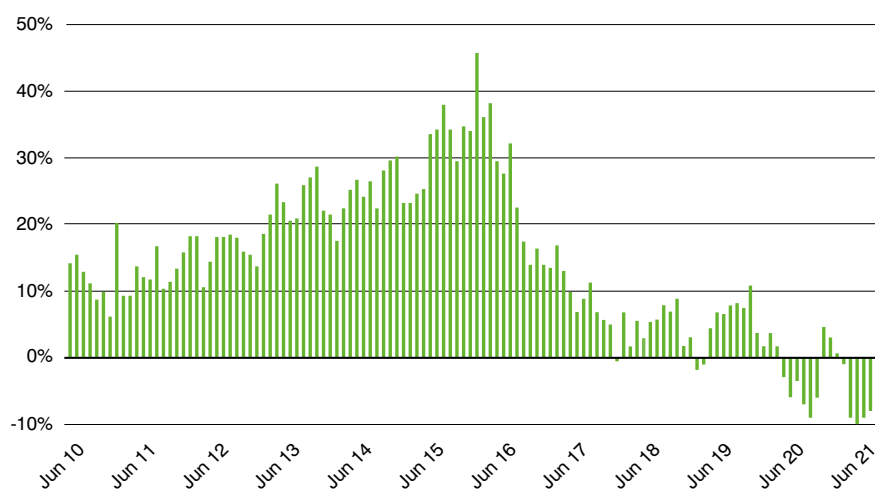
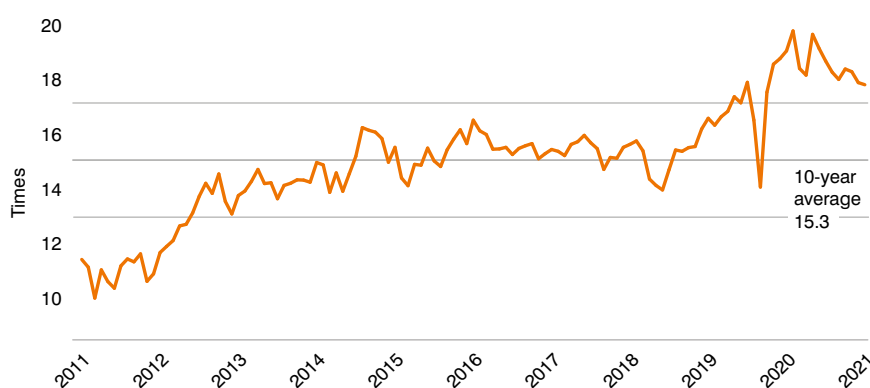


Figure 7: Price Earnings Ratio (PE) of the S&P/ASX 200 Index



Source: FactSet



Capital Changes

Under the Company's Dividend Reinvestment Plan, 484,065 shares were issued in August 2020 at a price of \$2.52 per share and 412,191 shares were issued in February 2021 at a price of \$2.89 per share.

Under the Company's Dividend Substitution Share Plan, 25,422 new shares were issued at nil cost in August 2020 and 18,002 new shares were issued at nil cost in February 2021.

The Company also had a Share Purchase Plan (SPP) during the year. Shareholders could apply for up to \$30,000 worth of new ordinary shares under the SPP (SPP Shares). The SPP Shares were issued at a 5 per cent discount to the

five-day VWAP calculated up to and including the day on which the SPP closed, being the 22 February 2021. The SPP Shares issued under the SPP are entitled to 50 per cent of the final dividend due to be paid on 27 August 2021. The SPP Shares will convert to ordinary shares on the final dividend ex-date of 5 August 2021. Under this plan, 10,925,839 SPP Shares were issued at a price of \$2.85 on 3 March 2021 under ASX code DJWN.

At the close of the year the Company had 236.1 million shares in issue.

Dividends

A final fully franked dividend of 5.75 cents per share has been declared (2020: 5.25 cents).

The dividends paid during the year ended 30 June 2021 were as follows:

	\$'000
Final dividend for the year ended 30 June 2020 of 5.25 cents fully franked at 30 per cent, paid 28 August 2020	11,709
Interim dividend for the year ended 30 June 2021 of 5.25 cents per share fully franked at 30 per cent, paid 22 February 2021	11,748
	23,457



Review of Operations and Activities

continued

Listed Investment Company Capital Gains

Listed Investment Companies (LIC), which make capital gains on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount which some shareholders are able to use to claim a tax deduction. This is called an 'LIC capital gain attributable part'. The purpose of this is to put shareholders in Listed Investment Companies on a similar footing with holders of managed investment trusts with respect to capital gains tax on the sale of underlying investments.

Tax legislation sets out the definition of a 'Listed Investment Company', which Djerriwarrh satisfies. Furthermore, from time to time the Company sells securities out of the investment portfolio held for more than one year, which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. The announced final dividend carried with it an LIC capital gain of 1.0 cent per share (0.5 cents for the DJWN shareholders).

Financial Condition

The Company's financing consists primarily of shareholders' funds. The Company also has agreements with the Commonwealth Bank of Australia for cash advance facilities of \$110 million and with the National Australia Bank via a securities lending arrangement for \$10 million (see Note D2). As at 30 June 2021, \$65.0 million had been drawn down on existing facilities (2020: \$78.0 million). The Company's total borrowings of \$65.0 million at balance date represented 8.4 per cent of net assets.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since inception. The results of these investment activities will depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors (macro, which include economic growth rates, inflation, interest rates, exchange rates and taxation levels and micro which includes industry economics and competitive behaviour) and their approach to, and management of, material Environmental, Social and Governance (ESG) risks.

The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company's investments. Accordingly, Directors do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term and its twin objectives are as set out above.

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company or the environment in which it operates that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matter or circumstance not otherwise disclosed in the Financial Report or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not materially affected by environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2021

		Total Value \$ Million	% of the Portfolio
1	CSL*	52.2	6.2
2	Westpac Banking Corporation*	49.1	5.9
3	BHP*	47.0	5.6
4	Transurban Group*	44.1	5.3
5	Woolworths Group*	41.6	5.0
6	Commonwealth Bank of Australia*	34.0	4.1
7	ASX*	29.6	3.5
8	Telstra Corporation*	28.6	3.4
9	National Australia Bank*	26.6	3.2
10	Macquarie Group*	24.5	2.9
11	Goodman Group*	21.7	2.6
12	Carsales.com*	21.6	2.6
13	Wesfarmers*	20.2	2.4
14	Mainfreight	19.7	2.3
15	EQT Holdings	18.5	2.2
16	IRESS*	17.8	2.1
17	Sydney Airport*	17.4	2.1
18	Insurance Australia Group*	16.9	2.0
19	Amcor*	16.7	2.0
20	Coles Group*	15.8	1.9
Total		563.5	

As percentage of total portfolio value (excludes cash)

67.2%

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

Board Members



John Paterson

**Chairman and
Independent
Non-Executive
Director**

BCom (Hons)(Melb),
CPA, F Fin

Chairman of the Investment Committee. Member of the Nomination Committee. Director of the Company's associated entity, Australian Investment Company Services Limited (AICS).

Mr Paterson is a company Director who was appointed to the Board in July 2002, appointed Deputy Chairman in September 2009 and appointed Chairman in October 2013. He is also Chairman of Australian Foundation Investment Company Limited (AFIC). He was formerly a Director of Goldman Sachs JBWere and is a former member of the Board of Guardians of Australia's Future Fund.



Mark Freeman

Managing Director

BE, MBA, Grad Dip
App Fin (Sec Inst),
AMP (INSEAD)

Member of the Investment Committee. Managing Director of the Company's associated entity, Australian Investment Company Services Limited (AICS).

Mr Freeman was appointed as Managing Director in January 2018 having been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of AFIC, AMCIL Limited and Mirrabooka Investments Limited.



**Robert J
Edgar AM**

**Independent
Non-Executive
Director**

BEC (Hons), PHD

Member of the Audit and Investment Committees.

Dr Edgar joined the Board in March 2015. Dr Edgar's initial training was in economics. He spent the majority of his business career at Australia and New Zealand Banking Group Ltd. He retired as Deputy Chief Executive Officer of the bank in 2009. He is a Non-Executive Director of La Trobe Financial Services. He also serves as the Chairman of the Hudson Institute of Medical Research and was a former Chairman of Federation Centres Limited. He was also previously a Non-Executive Director of Linfox Armaguard Pty Ltd, NuFarm Limited, Asciano Limited, Transurban Limited and three Asian banks connected with the ANZ Group.



**Kathryn J
Fagg AO**

**Independent
Non-Executive
Director**

BE (Hons),
MCom (Hons)

Chair of the Nomination Committee and Member of the Investment Committee.

Ms Fagg joined the Board in May 2014. Her executive and professional roles have been broad and diverse. She started her career as a petroleum engineer. She became a management consultant and then held a number of senior executive positions in the banking, steel and logistics industries across Australia, New Zealand and Asia. Ms Fagg is currently Non-Executive Chair of Boral, Deputy Chair of CSIRO and a Non-Executive Director of National Australia Bank Limited. She is Chair of the Breast Cancer Network Australia, Inaugural Chair of Watertrust Australia Limited and is a board member of the Grattan Institute, The Myer Foundation and Champions of Change Coalition. Ms Fagg was previously a board member of the Reserve Bank of Australia, Chair of Parks Victoria, President of Chief Executive Women, Chair of Melbourne Recital Centre and Non-Executive Director of Incitec Pivot Limited. She also has a number of other significant interests including as a Fellow of the Academy of Technological Sciences and Engineering.

Ms Fagg has been awarded Honorary Doctorates by the University of New South Wales in Business and in Chemical Engineering by the University of Queensland.



**Graham B
Goldsmith AO**

**Deputy Chairman
and Independent
Non-Executive
Director**

B Bus (Acctg),
FCPA, FAICD

Member of the Investment and Nomination Committees. Non-Executive Director of the Company's associated entity, AICS.

Mr Goldsmith was appointed to the Board in April 2013 and Deputy Chairman in May 2020. He is Chairman of SEEK Limited, Deputy Chairman of Gandel Philanthropy and a Panel Member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology and a former Non-Executive Director of Zhaopin Limited.



Alice JM Williams

**Independent
Non-Executive
Director**

B.Com, FCPA, FAICD,
CFA, ASFA AIF

Chair of the Audit Committee and Member of the Investment Committee.

Ms Williams was appointed to the Board in May 2010. Ms Williams is a Director of Defence Health, Mercer Investments (Australia) Ltd and Tobacco Free Portfolios.

She was formerly a Director of Cooper Energy, Equity Trustees Limited, Victorian Funds Management Corporation (VFMC), Port of Melbourne Corporation, Guild Group, Airservices Australia, State Trustees Limited, Western Health, the Australian Accounting Standards Board, Telstra Sale Company, V/Line Passenger Corporation and Barristers Chambers Limited. She previously held senior management positions in the financial services sector including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia, and is a former member of the Foreign Investment Review Board (FIRB).



Karen J Wood

**Independent
Non-Executive Director**

B Ed, LLB (Hons)

Member of the Audit and the Investment Committees.

Ms Wood was appointed to the Board in July 2016. Ms Wood is the Chair of South32 Limited and a Director of the Library Board of Victoria. She is a former senior executive of BHP. During her executive career with BHP, she served in a number of global roles including as Group Company Secretary, Chief People Officer and President, Corporate Affairs. She retired from BHP in 2014. Following her retirement, she chaired the BHP Foundation until 2019. She served on the Takeovers Panel from 2000 to 2012.

Board Members

continued

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2021 and the numbers of meetings attended by each Director were:

	Board		Investment Committee		Audit Committee		Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
J Paterson	11	11	19	19	-	2 [#]	1	1
M Freeman	11	11	19	19	-	3 [#]	-	-
RJ Edgar	11	11	19	18	3	3	-	-
KJ Fagg	11	11	19	14	-	2 [#]	1	1
GB Goldsmith	11	11	19	17	-	2 [#]	1	1
AJM Williams*	11	11	1*	19	3	3	-	-
KJ Wood*	11	11	1*	17	3	3	-	-

Attended meetings as non-members.

* Ms A Williams and Ms K Wood were appointed to the Investment Committee on 17 June 2021.

Retirement, Election and Continuation in Office of Directors

Ms AJM Williams, being eligible, will offer herself for re-election at the forthcoming 2021 Annual General Meeting.

Insurance of Directors and Officers

During the financial year, the Company paid insurance premiums to insure the Directors and officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2021 can be found on the Company's website at:

djerrri.com.au/corporate-governance

Senior Executives



Geoffrey N Driver

**General Manager,
Business Development
and Investor Relations**

B Ec, Grad Dip Finance

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver was formerly Chairman of Trust for Nature (Victoria).



Andrew JB Porter

Chief Financial Officer

MA (Hons)(St And), FCA

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 26 years experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is the immediate former Chair of The Group of 100 (G100), the peak body for CFOs and remains on the board, is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation.



Matthew J Rowe

Company Secretary

BA (Hons), MSc Corp Gov,
FGIA, FCIS

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 15 years of experience in corporate governance with a particular focus in Listed Investment Companies. He was previously a corporate governance advisor at a professional services firm, which included acting as Company Secretary for three ASX listed companies. Prior to that Mr Rowe was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Remuneration Report

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of Djerriwarrh requires approval by the shareholders in general meeting of a maximum amount of remuneration per year to be allocated between and paid to Non-Executive Directors as they determine. At the Company's 2015 Annual General Meeting (AGM), the total aggregate amount approved by shareholders for Non-Executive Director remuneration was \$900,000 and there has been no change of the total aggregate amount since that time. In determining remuneration allocated and paid to Non-Executive Directors, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. Non-Executive Directors do not receive any performance-based remuneration. Remuneration includes SGC where applicable.

The Directors and the Company agreed to freeze Directors' retirement allowances at 30 June 2004. This frozen amount will be paid to qualifying Directors in office prior to that time when they ultimately retire, without further adjustment. The annual amount of remuneration disclosed for each Director excludes any amounts owing in relation to retirement allowances (see Section (c)).

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company. All current Directors have entered into a Directors' Deed in a form approved by shareholders.

Djerriwarrh does not pay directly any performance-based remuneration. However, Mr Freeman is made available as Managing Director of Djerriwarrh by Australian Investment Company Services Ltd (AICS) and as part of his remuneration arrangements with AICS, Mr Freeman receives an 'at risk' component which is based on performance, as do other Executives (see Section (d)).

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2021 were as follows:

	Primary Fee \$	Post- employment Superannuation \$	Total Remuneration \$
J Paterson – Chairman (Non-Executive)			
2021	170,090	16,160	186,250
2020	168,948	16,052	185,000
RJ Edgar – Director (Non-Executive)			
2021	85,045	8,080	93,125
2020	84,474	8,026	92,500
KJ Fagg – Director (Non-Executive)			
2021	85,045	8,080	93,125
2020	84,474	8,026	92,500
M Freeman – Managing Director (Executive)			
2021	-	-	-
2020	-	-	-
GB Goldsmith – Director (Non-Executive)			
2021	85,045	8,080	93,125
2020	84,474	8,026	92,500
AJM Williams – Director (Non-Executive)			
2021	85,045	8,080	93,125
2020	84,474	8,026	92,500
KJ Wood – Director (Non-Executive)			
2021	91,119	2,006	93,125
2020	88,487	4,013	92,500
Total remuneration: Directors			
2021	601,389	50,486	651,875
2020	595,331	52,169	647,500

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

Only one Director (the Chairman, Mr John Paterson) retains an entitlement to a retirement allowance.

The amount payable which will be paid when he retires, is set out below. This amount was expensed in prior years when the retirement allowance accrued.

	Amount Payable on Retirement
	\$
J Paterson	44,468
	44,468

Holdings of Securities Issued by the Company

As at 30 June 2021 Directors and Executives who hold stock units issued by the Company for their own benefit or who have an interest in holdings in the name of another party and the total number of such securities are as follows (includes DJWN shares which have now converted into DJW ordinary shares):

DJW Ordinary Shares	1 July 2020	Net Changes		30 June 2021
		During the Year		
J Paterson	670,645	98,972	769,617	
RJ Edgar	29,333	41,156	70,489	
KJ Fagg	3,174	17,046	20,220	
M Freeman	49,504	5,509	55,013	
GB Goldsmith	100,945	55,944	156,889	
AJM Williams	116,397	3,508	119,905	
KJ Wood	48,616	171,126	219,742	
GN Driver	55,091	1,001	56,092	
AJB Porter	29,394	2,008	31,402	
MJ Rowe	1,875	74	1,949	

DJWN Shares	1 July 2020	Net Changes		30 June 2021
		During the Year		
J Paterson	n/a	36,052	36,052	
RJ Edgar	n/a	21,052	21,052	
KJ Fagg	n/a	-	-	
M Freeman	n/a	5,263	5,263	
GB Goldsmith	n/a	21,052	21,052	
AJM Williams	n/a	15,789	15,789	
KJ Wood	n/a	21,052	21,052	
GN Driver	n/a	3,508	3,508	
AJB Porter	n/a	-	-	
MJ Rowe	n/a	870	870	

It is the Company's policy that no Djerriwarrh shares owned by Directors or Executives are held subject to margin loans.

(d) Executives

Executives are officers who are involved in, concerned with, or who take part in, the management of the affairs of the Company. The Company has four Executives: M Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (30 June 2020: four Executives).

As noted in Section (a), no remuneration is paid to the executives directly by Djerriwarrh as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager – Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase Djerriwarrh shares as part of their Annual Incentive Plans.

Remuneration Report

continued

(e) Relationship with AICS

As noted above, the Company has no employees. Day-to-day operations and investment activities are carried out under the Board's direction by employees of Australian Investment Company Services Limited (AICS), a company which Djerrivarrh has a 25 per cent shareholding in. Djerrivarrh has two Directors who serve as Directors of AICS (Mr John Paterson and Mr Graham Goldsmith).

The Remuneration Report of the Parent (Australian Foundation Investment Company) includes full details of the basis upon which the Executives of AICS are remunerated. Djerrivarrh bears a portion of the cost of this remuneration through the fee which AICS charges.

Part of the incentive payments that the Executives are eligible for is based on the performance of Djerrivarrh. These incentive payments are all 'at risk' and are dependent upon Company and personal performance.

The portion of incentive payments that relate to Djerrivarrh are designed to reflect the risks that the Company and its shareholders face and how the Company has responded to those risks. In particular:

- the key performance indicators chosen to determine performance-related pay are those that the Company considers most relevant to its objectives of improving shareholder wealth over the medium to long term; and
- the focus is on performance over the medium to long term with only a small proportion of incentive being dependent on a single year's performance.

In addition, Executives agree to invest a portion of the annual cash incentive (after tax) in Djerrivarrh shares and to hold these shares for a minimum of two years.

As well as personal objectives (20 per cent of potential target incentive), which include advice to the Board, succession planning, management of staff, risk management, service levels of internal support functions and promotion of corporate culture and satisfaction of key internal stakeholders a portion of any incentive awarded is based on:

Investment and Company performance (80 per cent of target incentive, 20 per cent of which is dependent on Djerrivarrh's performance). The portion related to Djerrivarrh's performance takes account of the following factors:

- (a) Growth in net operating result per share: measured against CPI.
- (b) Management expense ratio (MER): at Board discretion but normally measured against prior years' results.
- (c) Grossed up yield achieved: at Board discretion but currently achievement of one percentage point higher outcome than the grossed up yield of the ASX 200 for the year.
- (d) Relative investment return: measure of the return on the portfolio invested (including cash) over the previous one, three, five and 10 years, relative to the S&P/ASX 200 Accumulation Index up to a 7.5 per cent Index growth, then assessed at 70 per cent of the Index growth above 7.5 per cent, reflecting Djerrivarrh's key focus on income, and the effect that option writing has on Djerrivarrh's portfolio returns in a strongly rising market.
- (e) Gross return (GR): measure of the movement in the net asset backing of the Company (per share) plus the dividends assumed to be reinvested, grossed up for franking credits over the previous one, three, five and 10 years. This return is compared to the S&P/ASX 200 Accumulation Index grossed up for franking credits up to a 7.5 per cent Index return, then assessed at 70 per cent of the Index growth above 7.5 per cent, for the same reasons as (d) above.

For the Managing Director, the total target amount of annual incentive that can be paid is 50 per cent of the Fixed Annual Remuneration (FAR) whilst for the other Executives it is 30 per cent. As noted above, Djerrivarrh only bears a portion of these costs through the payments that it makes to AICS.

The Board monitors these measures to ensure that they remain consistent and aligned with the objectives of the Company.

Details of the incentives paid during the year, and the outcomes of the relevant measures, including Djerrivarrh's performance against the targets, are available in the AFIC Annual Report, available on its website afi.com.au.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration is set out on page 22.

This report is made in accordance with a resolution of the Directors.



John Paterson
Chairman

19 July 2021



Auditor's Independence Declaration

As lead auditor for the audit of Djerrriwarrh Investments Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Nadia Carlin

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
19 July 2021

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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FINANCIAL STATEMENTS

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Income Statement

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Dividends and distributions	A3	28,006	28,562
Revenue from deposits and bank bills		4	59
Other revenue		-	3
Total revenue		28,010	28,624
Net gains on trading portfolio	A3	70	854
Income from options written portfolio	A3	12,129	7,673
Income from operating activities		40,209	37,151
Finance costs	B4, D2	(1,815)	(2,857)
Administration expenses	B1	(3,956)	(4,114)
Share of net profit from associate	B1	636	664
Operating result before income tax expense		35,074	30,844
Income tax expense*	B2, E2	(3,789)	(2,793)
Net operating result for the year		31,285	28,051
Net gains/(losses) on open options positions		(1,104)	6,957
Deferred tax on open options positions*	B2, E2	331	(2,087)
		(773)	4,870
Profit for the year		30,512	32,921
		Cents	Cents
Basic earnings per share	A5	13.36	14.72
		2021 \$'000	2020 \$'000
* Total tax expense	B2, E2	3,458	4,880

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Year to 30 June 2021			Year to 30 June 2020		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000
Profit for the year	31,285	(773)	30,512	28,051	4,870	32,921
Other comprehensive income						
<i>Items that will not be recycled through the Income Statement</i>						
Gains/(losses) for the period	-	133,166	133,166	-	(126,917)	(126,917)
Tax on above	-	(42,193)	(42,193)	-	37,759	37,759
<i>Items that may be recycled through the Income Statement</i>						
Net movement in fair value of swap contracts ²	-	393	393	-	198	198
Total other comprehensive income	-	91,366	91,366	-	(88,960)	(88,960)
Total comprehensive income	31,285	90,593	121,878	28,051	(84,090)	(56,039)

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio and unrealised gains or losses (and the tax thereon) on options in the options written portfolio. Income in the form of distributions and dividends and realised gains or losses on options is recorded as 'revenue'. All other items, including expenses, are included in 'net operating result', which is categorised under 'revenue'.
2. It is currently anticipated that the swap will be held to maturity and consequently that it will not be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash	D1	1,236	1,463
Receivables		5,295	2,198
Trading portfolio		1,019	-
Tax refund due		-	329
Total current assets		7,550	3,990
Non-current assets			
Investment portfolio	A2	849,078	690,424
Deferred tax assets – investment portfolio	B2	-	31,282
Deferred tax assets – other	E2	6,136	867
Shares in associate	F5	1,066	622
Total non-current assets		856,280	723,195
Total assets		863,830	727,185
Current liabilities			
Payables		78	181
Borrowings – bank debt	D2	65,000	78,000
Interest rate hedging contracts	B4	83	476
Tax payable		2,588	-
Options sold	A2	11,544	11,683
Total current liabilities		79,293	90,340
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	15,828	-
Total non-current liabilities		15,828	-
Total liabilities		95,121	90,340
Net assets		768,709	636,845
Shareholders' equity			
Share capital	A1, D6	686,297	652,854
Revaluation reserve	A1, D3	85,822	(20,539)
Realised capital gains reserve	A1, D4	(74,712)	(59,324)
Interest rate hedging reserve	B4	(83)	(476)
Retained profits	A1, D5	71,385	64,330
Total shareholders' equity		768,709	636,845

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2021

Year Ended 30 June 2021	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		652,854	(20,539)	(59,324) ²	(476)	64,330	636,845
Dividends paid	A4	-	-	-	-	(23,457)	(23,457)
Shares issued under Dividend Reinvestment Plan	D6	2,411	-	-	-	-	2,411
Shares issued under the Share Purchase Plan	D6	31,141	-	-	-	-	31,141
Share issue costs	D6	(109)	-	-	-	-	(109)
Total transactions with shareholders		33,443	-	-	-	(23,457)	9,986
Profit for the year		-	-	-	-	30,512	30,512
Other comprehensive income (net of tax)							
Net gains for the period on investments ¹		-	90,973	-	-	-	90,973
Net movement in fair value of swap contracts		-	-	-	393	-	393
Other comprehensive income for the year		-	90,973	-	393	-	91,366
Transfer to realised capital gains reserve of cumulative losses on investments sold		-	15,388	(15,388)	-	-	-
Total equity at the end of the year		686,297	85,822	(74,712)²	(83)	71,385	768,709

1. Consists of an unrealised gain on investments held at the year-end of \$106.4 million (after tax) less cumulative losses on investments sold during the year of \$15.4 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Year Ended 30 June 2020	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		647,761	64,863	(51,114) ²	(674)	68,782	729,618
Dividends paid	A4	-	-	(4,454)	-	(37,373)	(41,827)
Shares issued under Dividend Reinvestment Plan	D6	5,114	-	-	-	-	5,114
Share issue costs	D6	(21)	-	-	-	-	(21)
Total transactions with shareholders		5,093	-	(4,454)	-	(37,373)	(36,734)
Profit for the year		-	-	-	-	32,921	32,921
Other comprehensive income (net of tax)							
Net losses for the period on investments ¹		-	(89,158)	-	-	-	(89,158)
Net movement in fair value of swap contracts		-	-	-	198	-	198
Other comprehensive income for the year		-	(89,158)	-	198	-	(88,960)
Transfer to realised capital gains reserve of cumulative losses on investments sold		-	3,756	(3,756)	-	-	-
Total equity at the end of the year		652,854	(20,539)	(59,324)²	(476)	64,330	636,845

1. Consists of an unrealised loss on investments held at the year-end of \$85.4 million (after tax) plus cumulative losses on investments sold during the year of \$3.8 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Year Ended 30 June 2021

	Note	2021 \$'000 Inflows/ (Outflows)	2020 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		1,195	11,506
Purchases for trading portfolio		(964)	(7,105)
Interest received		4	59
Proceeds from entering into options in options written portfolio		28,779	46,249
Payment to close out options in options written portfolio		(17,922)	(41,823)
Dividends and distributions received		19,344	26,408
		30,436	35,294
Administration expenses		(3,956)	(4,113)
Finance costs paid		(1,916)	(2,955)
Income taxes paid		(696)	(1,335)
Net cash inflow/(outflow) from operating activities	E1	23,868	26,891
Cash flows from investing activities			
Sales from investment portfolio		240,321	241,028
Purchases for investment portfolio		(261,402)	(225,310)
Tax paid on capital gains		-	(1,124)
Net cash inflow/(outflow) from investing activities		(21,081)	14,594
Cash flows from financing activities			
Drawing down/(repayment) of cash advance facilities		(13,000)	(32,500)
Shares issued under SPP		31,141	-
Share issue costs		(109)	(21)
Dividends paid		(21,046)	(36,712)
Net cash inflow/(outflow) from financing activities		(3,014)	(69,233)
Net increase/(decrease) in cash held		(227)	(27,748)
Cash at the beginning of the year		1,463	29,211
Cash at the end of the year	D1	1,236	1,463

For the purpose of the Cash Flow Statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding Djerriwarrh's Financial Performance

A1. How Djerriwarrh Manages its Capital

Djerriwarrh's objective is to provide shareholders with attractive total returns including capital growth over the medium to long term and to pay an enhanced level of fully franked dividends.

Djerriwarrh recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or, where applicable, sell assets to settle any debt.

Djerriwarrh's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity (excluding the interest rate hedging reserve) is provided below:

	2021 \$'000	2020 \$'000
Share capital	686,297	652,854
Revaluation reserve	85,822	(20,539)
Realised capital gains reserve	(74,712)	(59,324)
Retained profits	71,385	64,330
	768,792	637,321

Refer to Notes D3–D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

Djerriwarrh has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the Company intends to retain on a long term basis. The options written portfolio and trading portfolio are held for short term trading only. The latter is relatively small in size when utilised. The Company predominantly writes call options but a small number of put options are also written at times (see below). Call options are only written over securities held in the investment portfolio whilst put options are fully backed by cash, cash equivalents or access to liquidity facilities.

The balance and composition of the investment portfolio was:

	2021 \$'000	2020 \$'000
Equity instruments (at market value)	849,078	690,424
	849,078	690,424

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

	2021 \$'000	2020 \$'000
Call options	(11,530)	(10,900)
Put options	(14)	(783)
	(11,544)	(11,683)

If all call options were exercised, this would lead to the sale of \$327.7 million worth of securities at an agreed price – the 'exposure' (2020: \$235.4 million). If all put options were exercised, this would lead to the purchase of \$8.8 million of securities at an agreed price (2020: \$20.8 million).

\$104.0 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2020: \$80.5 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

Notes to the Financial Statements

continued

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by Djerriwarrh are classified as Level 1 (other than options which are Level 2 and the investment in PEXA Group which is also Level 2 as it did not start trading until 1 July 2021). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period. Options are valued daily using an independent third-party data provider. OTC options are valued internally using external data reference points.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains or losses in Djerriwarrh's long term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2021 and 30 June 2020 were as follows:

	30 June 2021	30 June 2020
	\$	\$
Net tangible asset backing per share		
Before tax	3.32	2.70
After tax	3.26	2.84

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments held for long term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

During the period \$242.2 million (2020: \$217.5 million) of equity securities were sold from the investment portfolio. The cumulative loss on the sale of securities was \$15.4 million for the period (2020: \$3.8 million loss), both after tax. This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of Djerriwarrh's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the market value of the options are recognised through the Income Statement.

A3. Operating Income

The total income received from Djerriwarrh's investments in 2021 is set out below.

	2021 \$'000	2020 \$'000
Dividends and distributions		
Dividends from securities held in the investment portfolio at 30 June	24,979	25,047
Dividends from investment securities sold during the year	3,016	3,515
Dividends from securities held in the trading portfolio at 30 June	11	-
Dividends from trading securities sold during the year	-	-
	28,006	28,562

Dividend Income

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading Income and Non-equity Investments

Net gains on the trading and options portfolio are set out below.

	2021 \$'000	2020 \$'000
Net gains		
Net realised gains from securities in the trading portfolio	15	854
Net unrealised gains from securities in the trading portfolio	55	-
Realised gains on options written portfolio	12,129	7,673
	12,199	8,527

Including the realised gain on options written above, plus the unrealised loss on open options, a total of \$11.0 million before tax was recorded through the Income Statement from options in the options written portfolio (2020: \$14.6 million).

A4. Dividends Paid and Franking Credits

The dividends paid and payable for the year ended 30 June 2021 are shown below:

	2021 \$'000	2020 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2020 of 5.25 cents fully franked at 30 per cent paid, 28 August 2020 (2020: 10 cents fully franked at 30 per cent paid on 27 August 2019)	11,709	22,270
Interim dividend for the year ended 30 June 2021 of 5.25 cents per share fully franked at 30 per cent, paid 22 February 2021 (2020: 8.75 cents fully franked at 30 per cent paid 20 February 2020)	11,748	19,557
	23,457	41,827
(b) Franking Credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	28,567	28,113
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year	(5,684)	(5,046)
Net available	22,883	23,067
These franking account balances would allow Djerriwarrh to frank additional dividend payments up to an amount of	53,394	53,823

Djerriwarrh's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Djerriwarrh paying tax on its other operating activities and on any capital gain.

Notes to the Financial Statements

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(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 5.75 cents per share fully franked at 30 per cent (2.875 cents for DJWN shares). The aggregate amount of the final dividend for the year to 30 June 2021 to be paid on 27 August 2021, but not recognised as a liability at the end of the financial year is \$13.3 million.

(d) Listed Investment Company Capital Gain Account

	2021 \$'000	2020 \$'000
Balance of the Listed Investment Company (LIC) capital gain account	2,699	2,117
This equates to an attributable amount	3,855	3,024

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains or the receipt of LIC distributions from LIC securities held in the portfolios. \$3.3 million of the attributable capital gain will be paid out as part of the final dividend on 27 August 2021.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

	2021 Number	2020 Number
Basic Earnings Per Share		
Weighted average number of ordinary shares used as the denominator	228,393,128	223,648,033
	\$'000	\$'000
Profit for the year	30,512	32,921
	Cents	Cents
Basic earnings per share	13.36	14.72
Basic Net Operating Result Per Share	\$'000	\$'000
Net operating result	31,285	28,051
	Cents	Cents
Basic net operating result per share	13.70	12.54

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share. This also applies to diluted net operating result per share.

Note that DJWN shares, issued under the Share Purchase Plan in March 2021, are only entitled to half the final dividend of 5.75 cents payable on 27 August 2021.

Excluding the impact of the Woolworths Group/Endeavour demerger dividend, the profit for the year would have been \$24.2 million, the net operating result would have been \$25.0 million and the net operating result per share would have been 10.94 cents per share.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2021 \$'000	2020 \$'000
Administration fees paid to AICS	(2,528)	(2,634)
Share of net profit from AICS as an associate	636	664
Other administration expenses	(1,428)	(1,480)

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day administration of Djerrivarrh's investments and its operations, including financial reporting. Djerrivarrh has a 25 per cent shareholding in AICS and has two Directors on the AICS Board who are involved in approving the annual expenses budget of the Company (Djerrivarrh), amongst other duties which include oversight of risk management and compliance.

A large proportion of the administration fee paid consists of remuneration payments to the AICS staff. See the Remuneration Report for more details.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits \$	Post- employment Benefits \$	Total \$
2021			
Directors	601,389	50,486	651,875
2020			
Directors	595,331	52,169	647,500

Djerrivarrh recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

Djerrivarrh's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision has also been made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Djerrivarrh disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Notes to the Financial Statements

continued

Tax Expense

The income tax expense for the period is shown below:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2021 \$'000	2020 \$'000
Operating result before income tax expense	35,074	30,844
Tax at the rate of 30 per cent (2020 – 30 per cent)	10,522	9,253
Tax offset for franked dividends received	(4,381)	(6,776)
Demerger dividend not taxable	(1,892)	-
Tax effect of sundry items not taxable in calculating taxable income or taxable in current year but not included in income	(137)	612
	4,112	3,089
Over provision in prior years	(323)	(296)
Income tax expense on operating result before net gains on investments	3,789	2,793
Net gains (losses) on open options positions	(1,104)	6,957
Tax at the rate of 30 per cent (2020 – 30 per cent)	(331)	2,087
Tax expense (credit) on net gains on open options positions	(331)	2,087
Total tax expense	3,458	4,880

Deferred Tax – Investment Portfolio

	2021 \$'000	2020 \$'000
Deferred tax (assets)/liabilities on unrealised gains or losses in the investment portfolio	15,828	(31,282)
Opening balance at 1 July	(31,282)	6,458
Tax on realised gains or losses	4,917	19
Charged to OCI for ordinary securities on gains or losses for the period	42,193	(37,759)
	15,828	(31,282)

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As a Listed Investment Company that invests in tradeable securities, Djerriwarrh will always be subject to market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent on values at 30 June, if spread equally over all assets in the investment portfolio, would have led to the following reductions (after tax):

	2021 \$'000		2020 \$'000	
	5%	10%	5%	10%
Profit after tax	-	-	-	-
Other comprehensive income	(29,718)	(59,435)	(24,165)	(48,330)

An equity market fall of 5 per cent and 10 per cent would have impacted the options written portfolio and trading portfolio and led to the following increases (after tax) 30 June:

	2021 \$'000		2020 \$'000	
	5%	10%	5%	10%
Profit after tax	368	737	409	818
Other comprehensive income	-	-	-	-

Djerriwarrh seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee (normally fortnightly) and risk can be managed by reducing exposure where necessary. Djerriwarrh does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Djerriwarrh's investment exposures by sector is as below:

	2021 %	2020 %
Energy	2.93	4.78
Materials	11.17	15.23
Industrials	14.90	17.08
Consumer Staples	7.62	4.10
Banks	14.67	21.07
Other Financials (including real estate)	22.53	15.48
Telecommunications	5.98	5.02
Healthcare	10.66	8.17
Other – Consumer Discretionary, Information Technology and Utilities	9.39	8.84
Cash	0.15	0.22

Securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June were:

	2021 %	2020 %
CSL	6.2	
Westpac	5.9	
BHP	5.6	
Transurban	5.3	
BHP		7.2
Commonwealth Bank		6.6
Westpac		5.7

No other security represents over 5 per cent of the Company's investment and trading portfolios.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Djerriwarrh is also not directly exposed to material currency risk as most of its investments are quoted in Australian dollars.

Notes to the Financial Statements

continued

Interest Rate Risk

Djerriwarrh is not currently materially exposed to interest rate risk as all its cash investments and borrowings are short term for a fixed interest rate. It has also entered into an interest rate hedging contract with the Commonwealth Bank of Australia, under which Djerriwarrh will pay a fixed interest rate on \$15 million worth of short term borrowings, as outlined below.

Counter Party	Value	Interest Rate	Start Date	Finish Date
Commonwealth Bank	\$15 million	2.385%	December 2016	October 2021

This locked in a longer term fixed rate for a proportion of Djerriwarrh's debt. Should interest rates move to the extent that the Board feel that the swaps are materially uneconomical, they may be unwound and the cost of unwinding them would be reflected through the Income Statement. The hedge was fully effective for the year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Djerriwarrh is exposed to credit risk from cash, receivables and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short term deposits with Australia's 'big four' commercial banks or cash management trusts which invest predominantly in securities with an A1+ rating.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at balance date.

Trading and Investment Portfolios

Interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk would be realised in the event of a shortfall on winding-up of the issuing companies.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Djerriwarrh monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Djerriwarrh to purchase securities, and facilities that need to be repaid. Djerriwarrh ensures that it has either cash or access to short term borrowing facilities sufficient to meet these contingent payments.

Djerriwarrh's inward cash flows depend upon the dividends received. Should these drop by a material amount, Djerriwarrh would amend its outward cash flows accordingly or draw down on more debt. Djerriwarrh's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Djerriwarrh are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Djerriwarrh's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less Than 6 Months \$'000	6–12 Months \$'000	Greater Than 1 Year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2021					
Non-derivatives					
Payables	78	-	-	78	78
Borrowings	65,000	-	-	65,000	65,000
	65,078	-	-	65,078	65,078
Derivatives					
Options written*	8,755	-	-	8,755	11,544
Interest rate swaps	113	-	-	113	83
	8,868	-	-	8,868	11,627
30 June 2020					
Non-derivatives					
Payables	181	-	-	181	181
Borrowings	78,000	-	-	78,000	78,000
	78,181	-	-	78,181	78,181
Derivatives					
Options written*	20,799	-	-	20,799	11,683
Interest rate swaps	347	172	457	976	476
	21,146	172	457	21,775	12,159

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

B4. Interest Rate Swaps

	2021 \$'000	2020 \$'000
Opening balance at 1 July	(476)	(674)
Movement for year (net of tax)	393	198
Fair value of interest rate swap agreements at 30 June	(83)	(476)

Counter Party	Value	Interest Rate	Start Date	Finish Date
Commonwealth Bank	\$15 million	2.385%	December 2016	October 2021

The Company has entered into an interest rate hedging contract as detailed above, under which the Company will pay a fixed interest rate on \$15 million worth of short term borrowings which have a floating interest rate. This has been designated as an effective hedge and any movements in its fair value will be shown as an adjustment against equity. The reserve and the corresponding asset/liability are measured as the fair value of the interest rate swap net of associated tax. It is currently anticipated that the swap will be held to maturity and consequently that it will have no impact, under current accounting standards, on the Income Statement.

C. Unrecognised Items

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

Notes to the Financial Statements

continued

Further notes to the financial statements are included here. These are grouped into three sections:

- D. Balance Sheet Reconciliations
- E. Income Statement Reconciliations
- F. Further Information

D. Balance Sheet Reconciliations

This section provides information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

	2021 \$'000	2020 \$'000
Cash at bank and in hand (including on-call)	1,236	1,463

Cash holdings yielded an average floating interest rate of 0.12 per cent (2020: 0.99 per cent). All cash investments are held in a transactional account or an overnight 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia and National Australia Bank would extend cash advance facilities. The facility with Westpac Bank expired during the year. Details of the facilities are given below.

	2021 \$'000	2020 \$'000
Commonwealth Bank of Australia – cash advance facility	110,000	140,000
Amount drawn down at 30 June	55,000	68,000
Undrawn facilities at 30 June	55,000	72,000
National Australia Bank – cash advance facility	10,000	10,000
Amount drawn down at 30 June	10,000	10,000
Undrawn facilities at 30 June	0	0
Total short term loan facilities	120,000	150,000
Total drawn down at 30 June	65,000	78,000
Total undrawn facilities at 30 June	55,000	72,000

The above borrowings, with the exception of the NAB facility, are unsecured. Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities are usually drawn down for no more than three months and hence are classified as current liabilities when drawn.

The current debt facilities are as follows:

Facility Provider	Amount	Expiry Date
Commonwealth Bank	\$50 million	30 October 2021
Commonwealth Bank	\$30 million	31 December 2022
Commonwealth Bank	\$30 million	29 June 2023
National Australia Bank	\$10 million	26 July 2021
Total facilities	\$120 million	

The debt facility with National Australia Bank is structured in the form of a securities lending arrangement. The terms of the agreement require that securities be pledged as collateral for the drawn secured borrowings under that facility and that such securities satisfy a minimum value of \$11 million (110 per cent of the total facility). These securities are held by the National Australia Bank but included as part of the Company's investment portfolio. As at 30 June 2021 the market value of the securities pledged as collateral was \$15.6 million (2020: \$17.7 million).

D3. Revaluation Reserve

	2021 \$'000	2020 \$'000
Opening balance at 1 July	(20,539)	64,863
Gains/(losses) on investment portfolio	133,166	(126,917)
Deferred tax on above	(42,193)	37,759
Cumulative taxable realised (gains)/losses (net of tax)	15,388	3,756
	85,822	(20,539)

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D4. Realised Capital Gains Reserve

	2021 \$'000			2020 \$'000		
	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total	Taxable Realised Gains (Net of Tax)	Difference Between Tax and Accounting Costs	Total
Opening balance at 1 July	451	(59,775)	(59,324)	5,116	(56,230)	(51,114)
Dividends paid	-	-	-	(4,454)	-	(4,454)
Cumulative taxable realised (losses)/gains for period	(16,840)	(3,463)	(20,303)	(230)	(3,545)	(3,775)
Tax on realised gains/(losses)	4,915	-	4,915	19	-	19
	(11,474)	(63,238)	(74,712)	451	(59,775)	(59,324)

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

Note that LIC gains paid to shareholders also include the LIC gains received from other LICs that Djerriwarrh invests in.

D5. Retained Profits

	2021 \$'000	2020 \$'000
Opening balance at 1 July	64,330	68,782
Dividends paid	(23,457)	(37,373)
Profit for the year	30,512	32,921
	71,385	64,330

This reserve relates to past profits.

Notes to the Financial Statements

continued

D6. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2019	Balance		222,697		647,761
27/8/2019	Dividend Reinvestment Plan	(i)	815	3.31	2,698
20/2/2020	Dividend Reinvestment Plan	(i)	741	3.26	2,416
	Costs of issue		-	-	(21)
30/6/2020	Balance		224,253		652,854
28/8/2020	Dividend Reinvestment Plan	(i)	484	2.52	1,220
28/8/2020	Dividend Substitution Share Plan	(ii)	26	2.52	n/a
22/2/2021	Dividend Reinvestment Plan	(i)	412	2.89	1,191
22/2/2021	Dividend Substitution Share Plan	(ii)	18	2.89	n/a
3/3/2021	Share Purchase Plan	(iii)	10,926	2.85	31,141
	Costs of issue		-	-	(109)
30/6/2021	Balance		236,119		686,297

- (i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange and Chi-X in the five days after the shares begin trading on an ex-dividend basis.
- (ii) The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.
- (iii) The Company had a Share Purchase Plan (SPP) during the period. Shareholders could apply for up to \$30,000 worth of new securities. Shares were issued at a 5 per cent discount to the five day VWAP calculated up to and including the day on which the SPP closed, being the 22 February 2021. New shares issued under the SPP are entitled to 50 per cent of the final dividend due to be paid on 27 August 2021. The SPP shares will convert to ordinary shares on the final dividend ex-date of 5 August 2021.

All shares have been fully paid, rank pari passu (except as related to dividends as noted above) and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

	2021 \$'000	2020 \$'000
Profit for the year	30,512	32,921
Net profit from associate	(444)	(464)
Dividend from associate	-	1,000
(Increase) decrease in trading portfolio	(1,019)	-
Demerger dividend (non-cash)	(6,305)	-
Increase (decrease) in options written portfolio	(139)	(10,213)
Dividends received as securities under DRP investments	-	(2,199)
Decrease (increase) in current receivables	(3,097)	25,711
- Less increase (decrease) in receivables for investment portfolio	1,898	(22,970)
Increase (decrease) in deferred tax	41,841	(35,869)
- Less (increase) decrease in deferred tax on investment portfolio	(47,110)	37,740
- Add increase (decrease) in CGT losses carried forward	4,985	-
Increase (decrease) in current payables	(103)	(231)
- Less decrease (increase) in payables for investment portfolio	-	14
Increase (decrease) in provision for tax payable	2,917	308
- Less CGT provision	(68)	19
- Add taxes paid on capital gains	-	1,124
Net cash flows from operating activities	23,868	26,891

E2. Tax Reconciliations

Tax Expense Composition

	2021 \$'000	2020 \$'000
Charge for tax payable relating to the current year	4,133	3,305
Over provision in prior years	(323)	(296)
Decrease (increase) in deferred tax assets (excluding capital losses)	(352)	1,871
	3,458	4,880

Amounts Recognised Directly Through Other Comprehensive Income

	2021 \$'000	2020 \$'000
Capital losses	4,985	-
Capital losses carried forward from previous year	(68)	-
Net increase in deferred tax assets/liabilities relating to capital gains tax on the movement in gains or losses in the investment portfolio	(47,110)	37,759
	(42,193)	37,759

Deferred Tax Assets

The deferred tax balances are attributable to:

	2021 \$'000	2020 \$'000
(a) Tax on unrealised (gains)/losses in the options written portfolio	1,230	899
(b) Tax on unrealised (gains)/losses in the trading portfolio	(16)	-
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	14	14
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(145)	(114)
(e) Capital losses	5,053	68
	6,136	867
Movements:		
Opening balance at 1 July	867	2,738
Credited/charged to Income Statement	352	(1,871)
Credited/charged to other comprehensive income	4,917	-
	6,136	867

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Djerrivarrh's ability to claim the deduction.

E3. Reconciliation of Profit Before Tax

The Board considers Djerrivarrh's operating result after tax to be a key measure of Djerrivarrh's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on Djerrivarrh's investment portfolio. It reconciles to Djerrivarrh's profit before tax as follows:

	2021 \$'000	2020 \$'000
Operating result after income tax expense	31,285	28,051
Add back income tax expense	3,789	2,793
Net gains (losses) on open options positions	(1,104)	6,957
Profit for the year before tax	33,970	37,801

Notes to the Financial Statements

continued

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions and other statutory information.

F1. Related Parties

All transactions with related parties were made on normal commercial terms and conditions and approved by independent Directors. The only such transactions were in connection with the services provided by AICS (see B1 and F5).

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

	2021 \$	2020 \$
PricewaterhouseCoopers		
Audit or review of financial reports	148,146	142,124
Permitted non-audit services		
Taxation compliance services	18,355	17,995
Total remuneration	166,501	160,119

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for Djerriwarrh. Djerriwarrh has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Djerriwarrh's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Djerriwarrh's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for Djerriwarrh's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of unrealised capital gains tax on investments (as reported in Djerriwarrh's Net Tangible Asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

Djerriwarrh is domiciled in Australia and most of Djerriwarrh's income is derived from Australian entities or entities that maintain a listing in Australia. Djerriwarrh has a diversified portfolio of investments, with only one investment comprising more than 10 per cent of Djerriwarrh's income from operating activities – Woolworths Group (17.6 per cent) due to the demerger dividend from the Endeavour demerger (2020: BHP (12.8 per cent) and Commonwealth Bank (12.8 per cent)).

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. This Financial Report has been authorised for issue on 19 July 2021 in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of Djerriwarrh have the power to amend and reissue the Financial Report.

Djerriwarrh has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

Other terminology used in the report is defined as follows:

Phrase	Definition
Net operating result	Total operating income after operating expenses and income tax are deducted

Djerriwarrh complies with International Financial Reporting Standards (IFRS). Djerriwarrh is a 'for profit' entity.

Djerriwarrh has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2021 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Djerriwarrh only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and non-interest bearing monetary financial assets and liabilities of Djerriwarrh approximates their carrying value.

Rounding of Amounts

Djerriwarrh is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

F5. Associate Accounting

Associates are entities over which the Company has significant influence but not control, generally accompanied by a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, in the Company's financial statements.

The Company has one associate – Australian Investment Company Services (AICS), incorporated in Australia, in which it has a 25 per cent shareholding. AICS provides investment and administrative services to the Company and to other Listed Investment Companies, including its parent, Australian Foundation Investment Company (AFIC) which holds the other 75 per cent.

The Company's share of its associate's post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in net income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

During the year, AICS did not pay a dividend (2020 DJW's share was \$1 million).

DIRECTORS' DECLARATION

In the Directors' opinion:

- 1) the financial statements and notes set out on pages 24 to 43 are in accordance with the *Corporations Act 2001* including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



John Paterson
Chairman

Melbourne
19 July 2021

INDEPENDENT AUDIT REPORT



Independent auditor's report

To the members of Djerriwarrh Investments Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Djerriwarrh Investments Limited (the company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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INDEPENDENT AUDIT REPORT

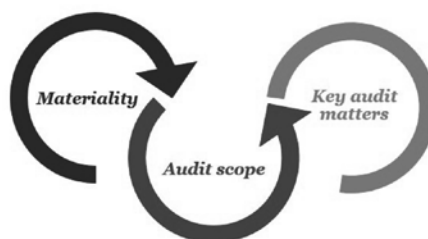
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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$7.69 million, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is:
 - the metric against which the performance of the Company is most commonly measured
 - the key driver of the business and the determinant of the Company's value
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities.
- The administration and investment operations for the Company are conducted by the Company's associate, Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australian Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency, and results of procedures.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Existence and valuation of Investment Portfolio</i> <i>Refer to note A2</i></p> <p><i>\$849.1m</i></p> <p>The Investment Portfolio consists mainly of listed Australian equities.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income, which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p>	<ol style="list-style-type: none"> 1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions, and agreeing back to the 30 June 2021 balance. 2) Obtained the purchases and sales listing for the year ended 30 June 2021, and <ul style="list-style-type: none"> • Agreed a sample of purchases and sales to original contracts; and • Agreed a sample of original contracts to the purchases and sales listing. 3) Agreed all the investment quantity holdings at 30 June 2021 to third party registry sources. 4) Agreed all listed equities investment prices to third party market pricing sources.

INDEPENDENT AUDIT REPORT

continued



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Djerriwarrh Investments Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin', written in a cursive style.

Nadia Carlin
Partner

Melbourne
19 July 2021

OTHER INFORMATION

Information About Shareholders

At 16 July 2021 there were 16,815 holdings of ordinary shares. These holdings were distributed in the following categories:

Size of Holding	Shareholdings (at 16 July 2021)	Percentage of Shares in Issue
1 to 1,000	1,997	0.39
1,001 to 5,000	5,223	6.38
5,001 to 10,000	3,702	11.72
10,001 to 100,000	5,653	58.17
100,001 and over	240	23.33
Total	16,815	100.00
20 largest shareholding	21,460,023	9.09
Average shareholding	14,042	

There were 445 shareholdings of less than a marketable parcel of \$500 (162 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, one vote for each shareholder; and
- (ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest holdings of ordinary shares as at 16 July 2021 are listed below:

Rank	Name	Units	% Units
1	Australian Foundation Investment Company Limited	7,505,346	3.18
2	Bruce Teele	2,503,881	1.06
3	Miss Margaret Frances Erskine	1,890,526	0.80
4	HSBC Custody Nominees (Australia) Limited	1,637,711	0.69
5	John Paterson	805,669	0.34
6	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	668,351	0.28
7	Netwealth Investments Limited <Wrap Services A/C>	586,177	0.25
8	Australian Executor Trustees Limited <No 1 Account>	495,250	0.21
9	Buttonwood Nominees Pty Ltd	460,901	0.20
10	Mr Bevan Robert Johnson + Mrs Karen Jane Johnson	459,403	0.19
11	Invia Custodian Pty Limited <Inverary Super Fund A/C>	455,105	0.19
12	P N B W Pty Ltd <F & JA Arrowsmith Family A/C>	420,156	0.18
13	Perpetual Corporate Trust Ltd <Affluence LIC Fund>	418,581	0.18
14	Lavender Purple Pty Ltd <Lavender Purple A/C>	416,500	0.18
15	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C>	405,703	0.17
16	Ross Barker	404,682	0.17
17	Mr Ian Stanley Fraser + Mr Andrew Tweedie + Mr Andrew Stanley Fraser <Joe White Bequest Cap A/C>	396,360	0.17
18	National Nominees Limited	393,002	0.17
19	Miss Lillian Johnson	378,907	0.16
=20	Miss Grace Johnson	378,906	0.16
=20	Mr Mason Johnson	378,906	0.16

Sub-underwriting

During the year the Company did not participate as a sub-underwriter in any issues of securities.

Substantial Shareholders

The Company has not been notified of any substantial shareholders.

Transactions in Securities

During the year ended 30 June 2021, the Company recorded 2,046 transactions in securities (including options). \$1,530,141 (including GST) in brokerage was paid or accrued for the year.

Holdings of Securities

At 30 June 2021

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Securities Exchange each month and recorded on the toll free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company Name	Number Held	Number Held	Market Value
		2020 '000	2021 '000	2021 \$'000
AIA*	Auckland International Airport	1,084	744	5,016
ALQ*	ALS	582	127	1,612
ALX*	Atlas Arteria	2,294	1,634	10,242
AMC*	Amcor	1,108	1,108	16,689
AMH	AMCIL	10,599	10,599	12,931
AMP	AMP	602	602	677
ANZ*	Australia and New Zealand Banking Group	1,542	487	13,542
APA*	APA Group	1,196	1,196	10,614
ARB*	ARB Corporation	331	284	12,161
ASX*	ASX	44	385	29,611
AUB	AUB Group	0	333	7,460
AWC*	Alumina	3,060	2,010	3,275
BHP*	BHP Group	1,400	973	46,952
BWP*	BWP Trust	1,275	3,134	13,281
BXB*	Brambles	1,283	1,103	12,302
CAR*	Carsales.com	595	1,113	21,586
CBA*	Commonwealth Bank of Australia	666	352	33,967
COL*	Coles Group	479	934	15,812
CPU*	Computershare	350	107	1,728
CSL*	CSL	104	184	52,249
EDV	Endeavour Group	0	1,108	6,971
EQT	EQT Holdings	0	675	18,495
FCL	FINEOS Corporation	0	1,105	4,310
FPH	Fisher & Paykel Healthcare Corporation	0	344	9,934
GMG*	Goodman Group	1,330	1,068	21,696
IAG*	Insurance Australia Group	2,722	3,304	16,873
IRE*	IRESS	777	1,476	17,829
IVC*	InvoCare	444	616	6,991
JHX*	James Hardie Industries	430	314	13,925

Code	Company Name	Number Held	Number Held	Market Value
		2020 '000	2021 '000	2021 \$'000
MFT	Mainfreight (NZX listed)	250	275	19,696
MGR*	Mirvac Group	0	4,113	11,684
MIR	Mirrabooka Investments	4,215	4,215	15,047
MQG*	Macquarie Group	282	158	24,484
NAB*	National Australia Bank	1,723	1,024	26,607
NWL	Netwealth Group	0	384	6,586
ORG*	Origin Energy	1,318	1,138	5,083
ORI*	Orica	238	238	3,167
OSH*	Oil Search	3,364	3,032	11,521
PNI	Pinnacle Investment Management Group	0	433	5,180
PXA	PEXA Group	0	292	5,000
REH*	Reece	598	323	7,566
RHC*	Ramsay Health Care	261	187	11,703
RIO*	Rio Tinto	135	79	9,754
RMD*	ResMed	0	348	11,045
SEK*	Seek	450	227	7,261
SHL*	Sonic Healthcare	307	124	4,566
SYD*	Sydney Airport	3,112	3,028	17,395
TCL*	Transurban Group	2,170	3,136	44,053
TLS*	Telstra Corporation	7,875	7,875	28,643
TPW	Temple & Webster	0	452	4,882
WBC*	Westpac Banking Corporation	2,173	1,917	49,096
WES*	Wesfarmers	545	350	20,219
WOW*	Woolworths Group	538	1,108	41,596
WPL*	Woodside Petroleum	656	361	7,989
Total				838,553

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

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
ASX	26,116
CSL	22,094
Westpac Banking Corporation	22,005
Woolworths Group	21,963
EQT Holdings	16,764
Carsales.com (includes \$2.4 million participation in placement at \$17.00 per share)	15,043

Sales	Proceeds (\$'000)
BHP#	28,268
Commonwealth Bank of Australia#	24,905
Westpac Banking Corporation^	22,118
ANZ Banking Group^	21,948
Macquarie Group#	16,972
National Australia Bank^	16,364

Sales as a result of the exercise of call options.

^ Majority of the sale was as result of the exercise of call options.

New Companies Added to the Investment Portfolio

EQT Holdings
 Mirvac Group
 Fisher & Paykel Healthcare
 ResMed
 Endeavour Group (Woolworths Group demerger)
 AUB Group
 Netwealth
 PEXA Group (IPO)
 FINEOS Corporation
 Temple & Webster
 Pinnacle Investment Management Group

Issues of Securities

Issue	Type	Price	Remarks
3 March 2021	SPP-DJWN	\$2.85	Nil discount
22 February 2021	DRP/DSSP*	\$2.89	Nil discount
28 August 2020	DRP/DSSP*	\$2.52	Nil discount
20 February 2020	DRP	\$3.26	5 per cent discount
27 August 2019	DRP	\$3.31	2.5 per cent discount
21 February 2019	DRP	\$3.03	5 per cent discount
27 August 2018	DRP	\$3.29	2.5 per cent discount
21 February 2018	DRP	\$3.33	5 per cent discount
25 August 2017	DRP	\$3.44	5 per cent discount
21 February 2017	DRP	\$3.53	5 per cent discount
24 August 2012	DRP	\$3.66	2.5 per cent discount
17 February 2012	DRP	\$3.59	2.5 per cent discount
24 August 2011	DRP	\$3.47	2.5 per cent discount
18 February 2011	DRP	\$4.05	2.5 per cent discount
24 August 2010	DRP	\$3.89	5 per cent discount
19 February 2010	DRP	\$4.16	5 per cent discount
25 August 2009	DRP	\$4.02	5 per cent discount
20 February 2009	DRP	\$3.07	5 per cent discount
15 August 2008	DRP	\$4.10	-
16 February 2008	DRP	\$5.05	-
9 August 2007	DRP	\$5.11	-
12 March 2007	DRP	\$4.78	-
11 October 2006	Rights issue	\$4.00	1 to 5 rights issue
10 August 2006	DRP	\$4.62	-
8 March 2006	DRP	\$4.29	-
26 August 2005	DRP	\$3.95	-
16 March 2005	DRP	\$3.68	-
26 August 2004	DRP	\$3.43	-
9 July 2004	Convertible note issue	\$3.90	Maturing 30 September 2009
5 March 2004	DRP	\$3.48	-
22 December 2003	SAP	\$3.22	-
22 August 2003	DRP	\$3.50	-
7 March 2003	DRP	\$3.27	-
19 December 2002	SAP	\$3.14	-
19 August 2002	SAP	\$3.57	-
7 March 2002	DRP	\$3.73	-
4 October 2001	SAP	\$3.51	-
29 June 2001	DRP	\$3.53	-
8 March 2001	DRP	\$3.15	
16 August 2000	DRP	\$3.27	
27 April 2000	SAP	\$3.28	
7 March 2000	DRP	\$3.47	
11 August 1999	DRP	\$3.54	
28 April 1999	SAP	\$3.36	
15 March 1999	DRP	\$3.47	
11 September 1998	DRP	\$3.27	
27 March 1998	DRP	\$3.60	
30 October 1997	Rights issue	\$4.00	1 to 5 rights issue of convertible notes
11 September 1997	DRP	\$3.35	
27 March 1997	DRP	\$2.76	
13 September 1996	DRP	\$2.58	
29 March 1996	DRP	\$2.73	
27 September 1995	DRP	\$2.47	
22 June 1995	New issue	\$2.60	
24 March 1995	DRP	\$2.34	
23 September 1994	DRP	\$2.34	
21 June 1994	New issue	\$2.57	
31 March 1994	DRP	\$2.56	
24 September 1993	DRP	\$2.30	
26 March 1993	DRP	\$2.13	
25 September 1992	DRP	\$2.17	
1 January 1992	New issue	\$2.29	
18 June 1990	New issue	\$2.00	
9 April 1990	New issue	\$2.00	
22 December 1989	Initial allotment	\$2.00	

* Note that for the shares issued under the DSSP, the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

Company Particulars

Djerriwarrh Investments Limited

ABN 38 006 862 693

Directors

John Paterson, Chairman
Mark Freeman, Managing Director
Robert J Edgar AM
Kathryn J Fagg AO
Graham B Goldsmith AO
Alice JM Williams
Karen J Wood

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@djerrri.com.au
Website djerrri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 915
+61 3 9415 4190 (from overseas)
Facsimile (03) 9473 2500
Website investorcentre.com/contact

For all inquiries relating to shareholdings, dividends and related matters, please contact the Share Registrar as above.

Securities Exchange Code

DJW Ordinary shares

Annual General Meeting

Time 10.00am
Date Thursday 7 October 2021
Venue Village Roadshow Theatre
State Library of Victoria
Conference Centre
Location 179 La Trobe Street
Melbourne Victoria 3000

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021 after the AGM. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if they can safely proceed.





Annual Review 2021

DJERRIWARRH INVESTMENTS LIMITED IS A LISTED INVESTMENT COMPANY INVESTING IN A DIVERSIFIED PORTFOLIO OF AUSTRALIAN AND NEW ZEALAND EQUITIES. FOR STOCKS WHERE THERE IS AN OPTIONS MARKET, THE COMPANY OFTEN USES EXCHANGE TRADED AND OVER-THE-COUNTER OPTIONS TO ENHANCE THE INCOME RETURN TO INVESTORS.

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Year in Summary

	2021		
Profit for the Year	\$30.5m		Down 7.3% from 2020
Net Operating Result	\$31.3m		Up 11.5% from 2020
Fully Franked Dividend	5.75¢ Final	11¢ Total	14 cents total in 2020
Portfolio Dividend Yield	4.7% Including franking*		S&P/ASX 200 Index Yield 2.9% (grossed up for franking credits)
Management Expense Ratio	0.45%		0.45% in 2020
Total Portfolio Return	29.6% Including franking*		S&P/ASX 200 Accumulation Index including franking* 29.1%
Total Portfolio	\$839.8m		Including cash at 30 June. \$680.2 million in 2020

* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

Net Profit After Tax (\$ Million)

2021	30.5
2020	32.9
2019	34.3
2018	31.4
2017	33.7

Net Operating Result (\$ Million)

2021	31.3
2020	28.1
2019	37.6
2018	36.0
2017	33.8

Dividends Per Share (Cents)^(b)

2021	11
2020	14
2019	20
2018	20
2017	20

Net Asset Backing Per Share (Cents)^(c)

2021	332
2020	270
2019	331
2018	331
2017	324

Investments at Market Value (\$ Million)^(a)

2021 **838.6**

2020 678.7

2019 786.0

2018 758.5

2017 743.9

Number of Shareholders (30 June)

2021 **16,797**

2020 17,301

2019 17,554

2018 18,087

2017 18,490

Notes

- (a) Excludes cash.
- (b) All dividends were fully franked.
For 2021 the final dividend carried attributable LIC gain of 1.43 cents per share. For 2020 nil. For 2019 the final dividend carried attributable LIC gain of 4.29 cents per share and the interim dividend carried an attributable LIC gain of 7.14 cents per share. For 2018 the dividend carried attributable LIC gain of 14.28 cents per share, and for 2017 it was 7.14 cents per share.
- (c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

About the Company

Djerriwarrh Investments Limited is a Listed Investment Company (LIC) investing in a diversified portfolio of Australian and New Zealand equities. For stocks where there is an options market, the Company often uses exchange traded and over-the-counter options to enhance the income return to investors.

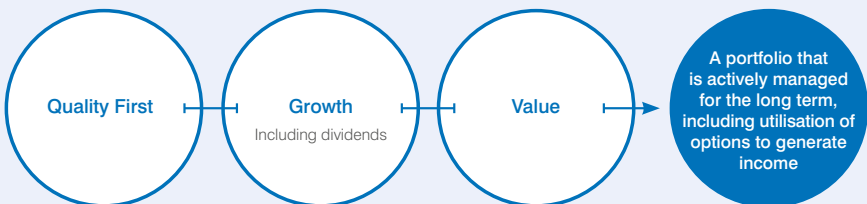
Investment Objectives

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

In this regard the primary investment goals are:

- to pay a higher level of fully franked dividend than is available from the market in general; and
- to provide attractive total return including capital growth over the medium to long term.

How Djerriwarrh Invests – What We Look For in Companies



Investment Philosophy

The investment philosophy is built on taking a medium to long term view on holding positions in the portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this timeframe.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry are also an important indicator of quality.

Linked to the assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

The view of value of a company is not just based on short term measures of the price earnings ratio and other valuation metrics; rather, value is assessed against our long term investment horizon. The final component of Djerriwarrh's ability to pay a higher yield is its approach to selling options over part of its investment and trading portfolios. This generates current income from the option premium Djerriwarrh receives for selling the options.

The amount that the Company receives from selling options depends on a number of factors:

- level of volatility in share price anticipated for the underlying stock;
- level of the option exercise price and particularly how far it is from the current share price;
- time to expiry, i.e. how far the option has to run;
- level of interest rates: the lower interest rates are, other things being equal, the lower the option premium received; and
- the percentage of the portfolio over which we are prepared to sell options.

It is our preference for the options to either lapse at expiry or, prior to exercise, to seek to buy the options back and sell new options further out and preferably at a higher exercise price. From time to time, where the share price increases strongly, we do take decisions to allow the shares to be exercised when we have formed the view that it is in the shareholders' best interest to allow that to occur. Gains or losses on disposals of investments upon the exercise of such options, after applicable tax, are taken to the realised capital gains reserve. Any gains when taxed are available for distribution to shareholders as fully franked dividends. It should be noted option positions are monitored daily and the portfolio is managed to try and maintain an appropriate balance between capital growth and income generation.

Djerriwarrh also has access to lines of credit, which allows the Company to gear its balance sheet when appropriate investment returns are available to enhance shareholder returns. When it is appropriate, exposure to rising interest rates is also capped.

About the Company

continued

Approach to Investing continued

Approach to Environmental, Social and Governance (ESG) Issues When Investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders.

The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all Company resolutions as part of our regular engagement with the companies in the portfolio.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.



— Review of Operations and Activities —

Profit

Full year profit was \$30.5 million, down from \$32.9 million in the corresponding period last year. The result for the year included a demerger dividend of \$6.3 million (which was non-cash and carries no franking) resulting from the Endeavour Group demerger from Woolworths Group. Excluding this figure, the full year profit was \$24.2 million.

Key components of the result were:

- income from investments, excluding the demerger dividend, down from \$28.6 million last year to \$21.7 million this financial year, as the economic impact of the COVID-19 pandemic continued to drag on company dividends; and
- income from option activity was \$12.1 million, significantly higher than the corresponding period last year of \$7.7 million.

The net operating result (which excludes the impact of open option positions and is therefore a better measure of the Company's income from its investment activities) was \$31.3 million. Excluding the demerger dividend, this figure is \$25.0 million. The figure for the corresponding period last year was \$28.1 million.

Dividend

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index, and which is delivered at a low cost

to shareholders. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The level of dividend declared each period is determined by taking into consideration the net operating result (which is made up of the dividends received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the net operating result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The net operating result per share for the 12 months to 30 July 2021 was 13.7 cents per share, up from 12.5 cents per share in the corresponding period last year. Excluding the Endeavour Group non-cash demerger dividend, the figure for the year is 10.9 cents per share, with earnings in the second half of the financial year slightly ahead of the first half.

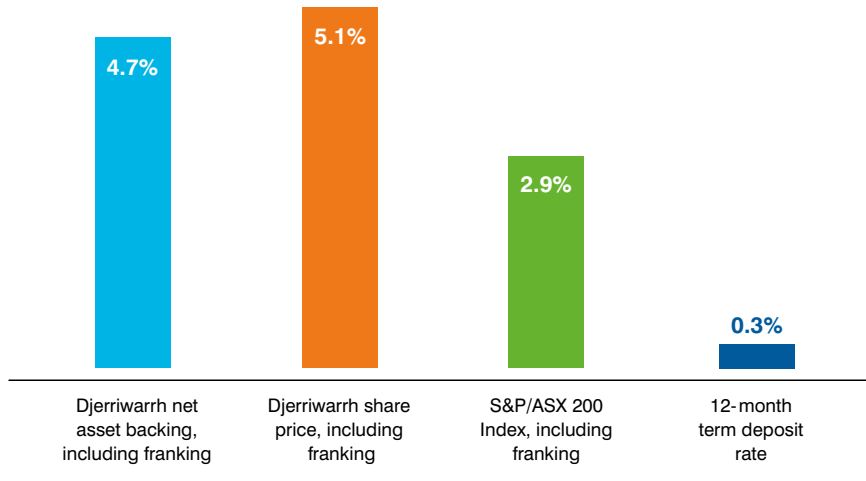
The final dividend has been increased to 5.75 cents per share fully franked, up 9.5 per cent from 5.25 cents per share fully franked for the corresponding period last year. We have been able to increase the final dividend with company dividends higher than expected due to the economy performing better than projected at the start of the year. Total dividends for the

year are 11.0 cents per share, broadly in line with underlying net operating result per share for the year. The final dividend contains a 1 cent LIC capital gain. Last financial year total dividends were 14 cents per share.

In February 2021, the Company raised \$31.1 million through a Share Purchase Plan. Shares issued under this plan are entitled to 50 per cent of the total final dividend, that is 2.875 cents per share fully franked.

Based on the total dividend for the year, the dividend yield on the net asset backing at 30 June 2021 was 3.3 per cent and 4.7 per cent, grossed up for franking credits (assuming a shareholder can take full advantage of the franking credits). Based on the net asset backing and including franking, this represents a yield of 1.8 percentage points higher than that available from the S&P/ASX 200 Index. Based on the share price of \$3.07 (at 30 June 2021), the yield was 3.6 per cent and 5.1 per cent, grossed up for franking.

Figure 1: Relative Yields at 30 June 2021 (Based on Total Dividends for the Financial Year)



Note: 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.

Review of Operations and Activities

continued

Portfolio Returns

The Australian equity market continued its significant climb over the financial year following the low point in March/April 2020 at the height of concerns about the COVID-19 pandemic.

However, as a corollary of this strength in the market, volatility declined over the period and finished the financial year at low levels (Figure 2).

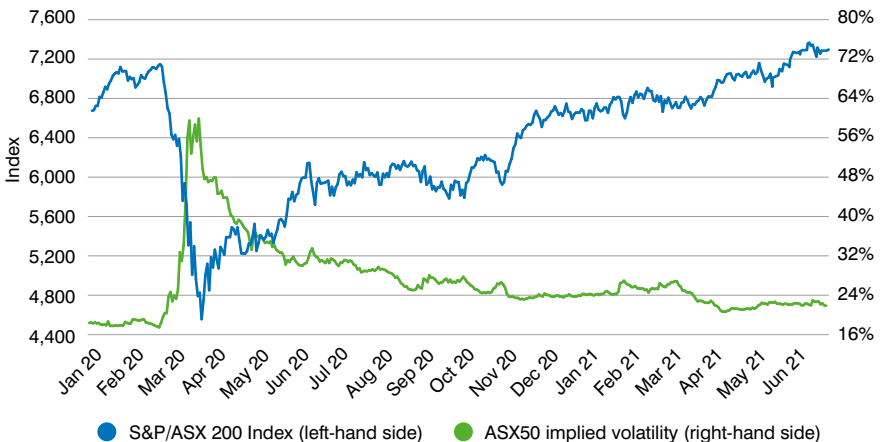
The increase in the Australian market was widespread across sectors, with the banking sector very strong (Figure 3).

In this environment, the change in the profile of the portfolio, as well as the management of the option positions, has delivered a more appropriate balance of income and capital growth this financial year. The level of option coverage of the

portfolio varied during the year between 25 per cent and 38 per cent as we responded to changes in market conditions. After beginning the financial year at 33 per cent, option coverage was reduced from 35 per cent at the end of November 2020 to 28 per cent in February 2021, as many profitable option positions were closed in order to capture option premium income.

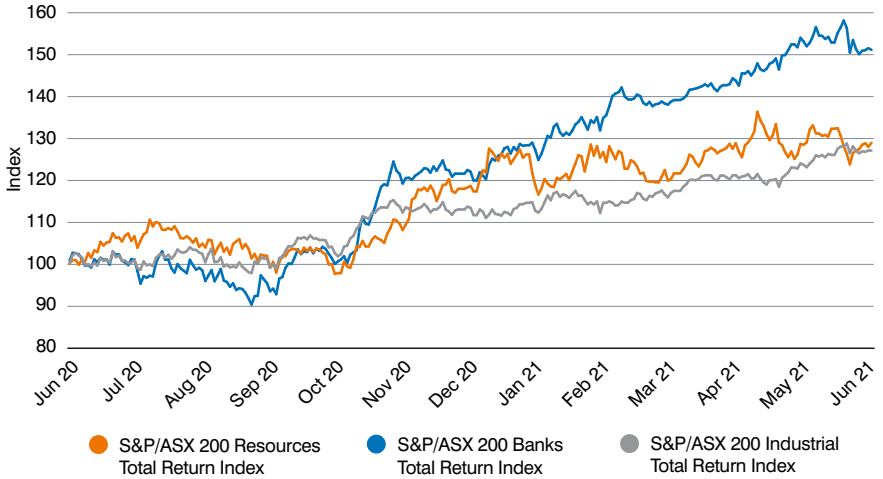
Option coverage was not immediately rewritten at this point, so that we could preserve exposure to potential share price gains. As the market subsequently increased to the current all-time highs, option coverage was gradually increased to a level of 38 per cent by the end of June 2021 (Figure 4). These strategies resulted in the generation of significant option premium income, while largely preserving the capital growth delivered by the rising share market.

Figure 2: Performance of the S&P/ASX 200 Index and the Impact on Market Volatility



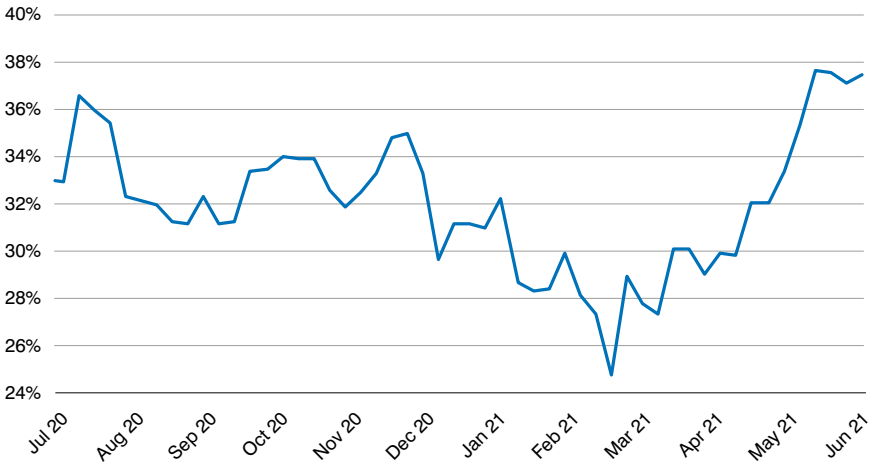
Source: FactSet

Figure 3: Key Sector Performance for the 12 Months to 30 June 2021



Source: FactSet

Figure 4: Option Coverage as a Percentage of the Portfolio



Review of Operations and Activities

continued

As a result, Djerrriwarrh's total portfolio return, including franking, for the 12 months to 30 June 2021 was 29.6 per cent. This was ahead of the S&P/ASX 200 Accumulation Index return, including franking, of 29.1 per cent (Figure 5).

The more significant contributors (including dividends and option income) to Djerrriwarrh's portfolio performance over the 12-month period were BHP, Westpac Banking Corporation, Commonwealth Bank, Mainfreight and National Australia Bank.

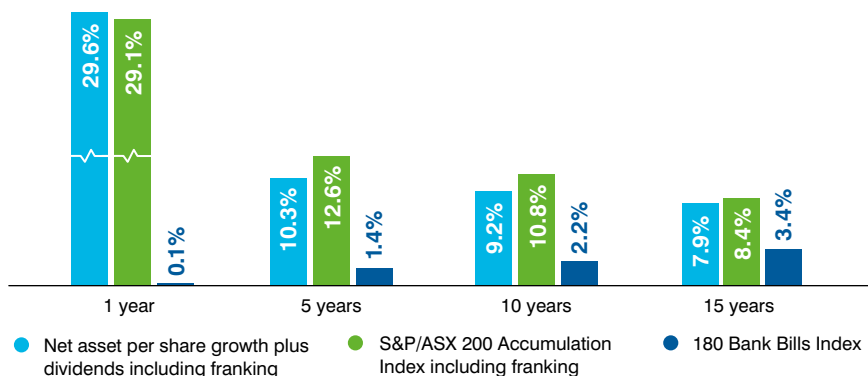
companies within the portfolio, while maintaining a suitable balance between short term income yield and long term growth in capital and income. As a result, our sources of income have shifted from companies where dividend growth looks challenged to companies offering a growing dividend profile. This has also improved the capital growth profile of the portfolio.

Major sales for the 12-month period were predominantly as a result of the exercise of call options. This included positions in BHP, Macquarie Group and holdings in each of the four major banks. The bank sector performed extremely well during the year, mostly as a result of a vastly better bad debt outcome compared to what was anticipated at the start of the

Portfolio Adjustments

Over the last 12 months there has been a continued focus on the strategy to strengthen the overall quality of the

Figure 5: Portfolio Performance to 30 June 2021 – Per Annum Returns, Including the Benefit of Franking Credits



Note: Djerrriwarrh'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. Past performance is not indicative of future performance.

pandemic. The better economic outlook has also contributed to each of the major banks having very strong capital positions.

During the period we exited a number of holdings as a result of option exercises and active selling, including South32, QBE, Qube Holdings, Suncorp, Reliance Worldwide Corporation and Scentre Group.

Major purchases for the 12-month period focused on high-quality companies that we assessed as being able to deliver

the right mix of income and growth for the portfolio. We therefore made significant increases to existing holdings in companies such as ASX, CSL, Woolworths Group, Carsales.com and Transurban. We also made significant purchases in certain companies to replace stock sold because of option exercises, including BHP and Westpac Banking Corporation.



Review of Operations and Activities

continued

A number of new companies were also added to the portfolio. This included positions in Equity Trustees, Mirvac Group, AUB Group and Pinnacle Investment Management Group, all of which provide a good balance of income and growth. We also established modest sized positions in companies where we see the potential for long term capital growth, including Fisher & Paykel Healthcare, ResMed, NetWealth, Temple & Webster and FINEOS Corporation. Djerriwarrh also participated in the initial public offering of PEXA Group.

Djerriwarrh utilises debt to take advantage of returns from the investment opportunities on offer. At 30 June 2021, the Company had \$65.0 million of debt with a cash or near cash position of \$6.5 million.

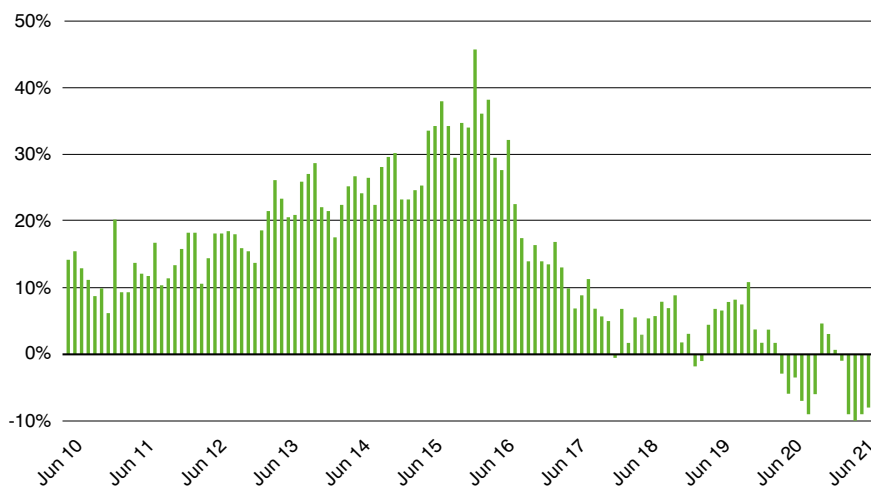
Share Price

Share price return for the financial year was positive 25.0 per cent, despite the share price trading at a persistent discount for most of the period. This performance was because of the strong portfolio performance over the financial year, which the share price subsequently tracked. At 30 June 2021, the share price was trading at a discount of 8 per cent to net asset backing.

Moving Forward

The ongoing strength of the market, despite a number of uncertainties, has been a feature over the year as very low interest rates have combined with better investor sentiment from improved economic conditions. This has driven up valuations (Figure 7) and share prices, in some instances, to record highs.

Figure 6: Share Price Discount/Premium to Net Asset Backing



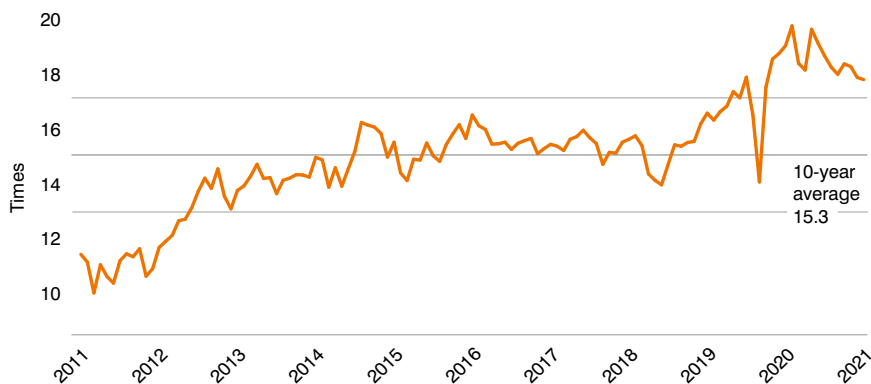
The outlook for dividends across the Australian share market is mostly positive. We expect the rebound in bank dividends to largely continue, supported by a recovering economy and more sustainable dividend payout ratios. There is also the potential for capital returns as a result of their strong balance sheets. High iron ore prices may also provide ongoing strong dividend income from BHP and Rio Tinto. However, a number of companies are unlikely to resume dividend payments in the near term, including Sydney Airport and Auckland Airport.

The other key factor in determining income for the year is option activity which is influenced by market volatility and the level of interest rates. Based on current

conditions, our expectation for option income as compared to that achieved in financial year 2021 is currently more subdued.

As we move into the new financial year, the outlook appears to hinge on a number of factors, including ongoing global demand for key commodities that Australia produces, the response of the central banks to any concerns about inflation and how society is placed with regard to COVID-19 conditions. Irrespective of any short term factors, we believe that the current portfolio settings should enable Djerriwarrh to achieve its objectives of delivering an enhanced level of fully franked income above the market and an attractive total return over the longer term.

Figure 7: Price Earnings Ratio (PE) of the S&P/ASX 200 Index



Source: FactSet

Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2021

		Total Value \$ Million	% of the Portfolio
1	CSL*	52.2	6.2
2	Westpac Banking Corporation*	49.1	5.9
3	BHP*	47.0	5.6
4	Transurban Group*	44.1	5.3
5	Woolworths Group*	41.6	5.0
6	Commonwealth Bank of Australia*	34.0	4.1
7	ASX*	29.6	3.5
8	Telstra Corporation*	28.6	3.4
9	National Australia Bank*	26.6	3.2
10	Macquarie Group*	24.5	2.9
11	Goodman Group*	21.7	2.6
12	Carsales.com*	21.6	2.6
13	Wesfarmers*	20.2	2.4
14	Mainfreight	19.7	2.3
15	EQT Holdings	18.5	2.2
16	IRESS*	17.8	2.1
17	Sydney Airport*	17.4	2.1
18	Insurance Australia Group*	16.9	2.0
19	Amcor*	16.7	2.0
20	Coles Group*	15.8	1.9
Total		563.5	

As percentage of total portfolio value (excludes cash)

67.2%

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

Income Statement

For The Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
Dividends and distributions	28,006	28,562
Revenue from deposits and bank bills	4	62
Total revenue	28,010	28,624
Net gains/(losses) on trading portfolio	70	854
Income from options written portfolio	12,129	7,673
Income from operating activities	40,209	37,151
Finance costs	(1,815)	(2,857)
Administration expenses	(3,320)	(3,450)
Operating result before income tax	35,074	30,844
Income tax	(3,789)	(2,793)
Net operating result	31,285	28,051
Net capital gains/(losses) on options		
Net gains/(losses) on open options positions	(1,104)	6,957
Tax expense on above	331	(2,087)
	(773)	4,870
Profit for the year	30,512	32,921
	Cents	Cents
Net operating result per share	13.70	12.54
Profit for the year per share	13.36	14.72

Balance Sheet

As at 30 June 2021

	2021 \$'000	2020 \$'000
Current assets		
Cash	1,236	1,463
Receivables	5,295	2,198
Tax refund due	-	329
Trading portfolio	1,019	-
Total current assets	7,550	3,990
Non-current assets		
Investment portfolio	849,078	690,424
Deferred tax assets – investment portfolio	-	31,282
Deferred tax assets – other	6,136	867
Shares in associate	1,066	622
Total non-current assets	856,280	723,195
Total assets	863,830	727,185
Current liabilities		
Payables	78	181
Borrowings – cash advance facilities	65,000	78,000
Interest rate hedging contracts	83	476
Tax payable	2,588	-
Options written portfolio	11,544	11,683
Total current liabilities	79,293	90,340
Non-current liabilities		
Deferred tax liabilities – investment portfolio	15,828	-
Total non-current liabilities	15,828	-
Total liabilities	95,121	90,340
Net assets	768,709	636,845
Shareholders' equity		
Share capital	686,297	652,854
Revaluation reserve	85,822	(20,539)
Realised capital gains reserve	(74,712)	(59,324)
Retained profits	71,385	64,330
Interest rate hedging reserve	(83)	(476)
Total shareholders' equity	768,709	636,845

Summarised Statement of Changes in Equity

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
Total equity at the beginning of the year	636,845	729,618
Dividends paid	(23,457)	(41,827)
Shares issued – Dividend Reinvestment Plan	2,411	5,114
Shares issued – Share Purchase Plan	31,141	-
Cost of share issues	(109)	(21)
Total transactions with shareholders	9,986	(36,734)
Profit for the year	30,512	32,921
Revaluation of investment portfolio	133,166	(126,917)
Provision for tax on revaluation	(42,193)	37,759
Net revaluation of investment portfolio	90,973	(89,158)
Net movement in fair value for interest rate swaps	393	198
Total comprehensive income for the year	121,878	(56,039)
Realised gains/(losses) on securities sold	(20,303)	(3,775)
Tax expense on realised gains or losses on securities sold	4,915	19
Net realised gains/(losses) on securities sold	(15,388)	(3,756)
Transfer from revaluation reserve to realised gains reserve	15,388	3,756
Total equity at the end of the year	768,709	636,845

A full set of Djerriwarrh's final accounts are available on the Company's website.

Holdings of Securities

At 30 June 2021

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Securities Exchange each month and recorded on the toll free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale. Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company Name	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 \$'000
AIA*	Auckland International Airport	1,084	744	5,016
ALQ*	ALS	582	127	1,612
ALX*	Atlas Arteria	2,294	1,634	10,242
AMC*	Ancor	1,108	1,108	16,689
AMH	AMCIL	10,599	10,599	12,931
AMP	AMP	602	602	677
ANZ*	Australia and New Zealand Banking Group	1,542	487	13,542
APA*	APA Group	1,196	1,196	10,614
ARB*	ARB Corporation	331	284	12,161
ASX*	ASX	44	385	29,611
AUB	AUB Group	0	333	7,460
AWC*	Alumina	3,060	2,010	3,275
BHP*	BHP Group	1,400	973	46,952
BWP*	BWP Trust	1,275	3,134	13,281
BXB*	Brambles	1,283	1,103	12,302
CAR*	Carsales.com	595	1,113	21,586
CBA*	Commonwealth Bank of Australia	666	352	33,967
COL*	Coles Group	479	934	15,812
CPU*	Computershare	350	107	1,728
CSL*	CSL	104	184	52,249

Code	Company Name	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 \$'000
EDV	Endeavour Group	0	1,108	6,971
EQT	EQT Holdings	0	675	18,495
FCL	FINEOS Corporation	0	1,105	4,310
FPH	Fisher & Paykel Healthcare Corporation	0	344	9,934
GMG*	Goodman Group	1,330	1,068	21,696
IAG*	Insurance Australia Group	2,722	3,304	16,873
IRE*	IRESS	777	1,476	17,829
IVC*	InvoCare	444	616	6,991
JHX*	James Hardie Industries	430	314	13,925
MFT	Mainfreight (NZX listed)	250	275	19,696
MGR*	Mirvac Group	0	4,113	11,684
MIR	Mirrabooka Investments	4,215	4,215	15,047
MQG*	Macquarie Group	282	158	24,484
NAB*	National Australia Bank	1,723	1,024	26,607
NWL	Netwealth Group	0	384	6,586
ORG*	Origin Energy	1,318	1,138	5,083
ORI*	Orica	238	238	3,167
OSH*	Oil Search	3,364	3,032	11,521
PNI	Pinnacle Investment Management Group	0	433	5,180
PXA	PEXA Group	0	292	5,000
REH*	Reece	598	323	7,566
RHC*	Ramsay Health Care	261	187	11,703
RIO*	Rio Tinto	135	79	9,754
RMD*	ResMed	0	348	11,045
SEK*	Seek	450	227	7,261
SHL*	Sonic Healthcare	307	124	4,566
SYD*	Sydney Airport	3,112	3,028	17,395
TCL*	Transurban Group	2,170	3,136	44,053
TLS*	Telstra Corporation	7,875	7,875	28,643
TPW	Temple & Webster	0	452	4,882

Holdings of Securities

At 30 June 2021 continued

Code	Company Name	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 \$'000
WBC*	Westpac Banking Corporation	2,173	1,917	49,096
WES*	Wesfarmers	545	350	20,219
WOW*	Woolworths Group	538	1,108	41,596
WPL*	Woodside Petroleum	656	361	7,989
Total				838,553

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

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
ASX	26,116
CSL	22,094
Westpac Banking Corporation	22,005
Woolworths Group	21,963
EQT Holdings	16,764
Carsales.com (includes \$2.4 million participation in placement at \$17.00 per share)	15,043

Sales	Proceeds (\$'000)
BHP#	28,268
Commonwealth Bank of Australia#	24,905
Westpac Banking Corporation^	22,118
ANZ Banking Group^	21,948
Macquarie Group#	16,972
National Australia Bank^	16,364

Sales as a result of the exercise of call options.

^ Majority of the sale was as result of the exercise of call options.

New Companies Added to the Investment Portfolio

EQT Holdings
 Mirvac Group
 Fisher & Paykel Healthcare
 ResMed
 Endeavour Group (Woolworths Group demerger)
 AUB Group
 Netwealth
 PEXA Group (IPO)
 FINEOS Corporation
 Temple & Webster
 Pinnacle Investment Management Group

Company Particulars

Djerriwarrh Investments Limited (DJW)

ABN 38 006 862 693

Directors

John Paterson, Chairman
Mark Freeman, Managing Director
Robert J Edgar AM
Kathryn J Fagg AO
Graham B Goldsmith AO
Alice JM Williams
Karen J Wood

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@djerri.com.au
Website djerri.com.au

For enquiries regarding net asset
backing (as advised each month to
the Australian Securities Exchange)

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 915
+61 3 9415 4190 (from overseas)

Facsimile (03) 9473 2500

Website investorcentre.com/contact

Securities Exchange Code

DJW Ordinary shares

Annual General Meeting

Time 10.00am
Date Thursday 7 October 2021
Venue Village Roadshow Theatrette
State Library of Victoria
Conference Centre
Location 179 La Trobe Street
Melbourne Victoria 3000

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if these meetings can safely proceed.



The Annual General Meeting of
Djerriwarrh Investments Limited
(ABN: 38 006 862 693, 'Company')
will be held at 10.00am (AEDT)
on Thursday 7 October 2021



Notice of Annual General Meeting 2021

26 August 2021

Dear Shareholder,

On behalf of the Board of Djerriwarrh Investments Limited (Djerriwarrh) I confirm that Djerriwarrh's 34th Annual General Meeting (AGM) will be held on **Thursday 7 October 2021 commencing at 10.00am (AEDT)**. Attached is our Notice of Meeting that sets out the business of the AGM.

Given the continued uncertainty surrounding the COVID-19 pandemic, this year our AGM will be a hybrid one and will take place physically at the **Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia** and **via an online platform**.

We are closely monitoring developments in relation to the COVID-19 virus in Australia and we are following guidance from the Federal and State Governments. While shareholders maybe able to attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. Further information regarding the conditions of entry and the COVID-19 safety measures that apply to the meeting are set out on page 11. Should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 7 October 2021 via the Company's website at **djerri.com.au** and the ASX announcement platform.

We received positive feedback on the accessibility provided by last year's fully online AGM and this also provides flexibility in the event of further restrictions. You will find details of the hybrid meeting format in the attached Notice of Meeting, together with various methods for you to vote, ask questions and otherwise participate in the meeting.

We look forward to your attendance either in person or virtually.

Yours sincerely



John Paterson
Chairman

BUSINESS OF THE MEETING

The Annual General Meeting of **Djerriwarrh Investments Limited** (ABN: 38 006 862 693, 'Company') will be held at **10.00am (AEDT)** on **Thursday 7 October 2021** at **Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia** and **via an online AGM platform** at **web.lumiagm.com** using code: **355-175-231**

Shareholders are requested to participate in the AGM in person, via our online AGM platform or via the appointment of a proxy. Further information on how to participate virtually is set out in this Notice and the Online Meeting Guide. Shareholders should refer to page 11 for the possible impact of COVID-19 restrictions on the ability to attend the AGM in person.

The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEDT)** on **Tuesday 5 October 2021**.

1. Financial Statements and Reports

To consider the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2021.

(Please note that no resolution will be required to be passed on this matter).

2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

That the Remuneration Report for the financial year ending 30 June 2021 be adopted.

(Please note that the vote on this item is advisory only)

3. Re-election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Ms Alice Williams, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

4. Election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Mr Bruce Brook, a Director retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."

5. Renewal of Proportional Takeover Provisions in the Constitution

To consider and, if thought fit, pass the following resolution (as a special resolution):

"That, pursuant to Sections 136(2) and 648G of the *Corporations Act 2001* (Cth), the proportional takeover provisions in Rules 79 and 80 of the Company's constitution are renewed for a period of three years from the date of this meeting".

By Order of the Board



Matthew Rowe
Company Secretary

26 August 2021

EXPLANATORY NOTES

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

Please ensure that your properly completed proxy form reaches the share registry by the deadline of 10.00am (AEDT) on Tuesday 5 October 2021.

Where permitted, the Chairman of the meeting intends to vote undirected proxies in favour of all items of business.

1. Financial Statements and Reports

During this item there will be a reasonable opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2021. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2021 Annual Report can view or download it from the Company's website at:

djerri.com.au/Company-Reports.aspx

2. Adoption of Remuneration Report

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which is contained within the 2021 Annual Report.

The vote on the proposed resolution is an advisory one.

Voting Exclusions on Item 2

Pursuant to Sections 250BD and 250R of the *Corporations Act 2001* (Cth), votes may not be cast, and the Company will disregard any votes cast, on the resolution proposed in Item 2 ('Resolution 2'):

- by or on behalf of any member of the key management personnel of the Company (a 'KMP member') whose remuneration details are included in the Remuneration Report and includes Directors, or any of their closely related parties, regardless of the capacity in which the votes are cast; or

- by any person who is a KMP member as at the time Resolution 2 is voted on at the Annual General Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 2:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Annual General Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 2 is connected directly or indirectly with the remuneration of a KMP member.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman to vote for or against, or to abstain from voting on, Resolution 2 by marking the appropriate box opposite Item 2 on the proxy form.

Pursuant to Sections 250BD(2) and 250R(5) of the *Corporations Act 2001*, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite Item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to Item 2.

For the purposes of these voting exclusions:

- A 'closely related party' of a KMP member means (1) a spouse or child of the KMP member, (2) a child of the KMP member's spouse, (3) a dependant of the KMP member or of the KMP member's spouse, (4) anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealings with the Company, or (5) a company the KMP member controls.
- The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney, as if they were appointed as a proxy.

The Chairman intends to exercise such proxies by voting them in favour of the adoption of the Remuneration Report.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

3. Re-election of Director

Ms A Williams was re-elected as a Director by shareholders at the 2018 AGM and as such is required to seek re-election by shareholders at this AGM. Her biographical details are set out below:

**Alice Williams
Independent Non-Executive Director
Chair of the Audit Committee and
Member of the Investment Committee
B.Com, FCPA, FAICD, CFA, ASFA AIF**

Ms Williams was appointed to the Board in May 2010. Ms Williams is a Director of Defence Health, Vocus Group, Mercer Investments (Australia) Ltd and Tobacco Free Portfolios.

She was formerly a Director of Cooper Energy, Equity Trustees Limited, Victorian Funds Management Corporation (VFMC), Port of Melbourne Corporation, Guild Group, Airservices Australia, State Trustees Limited, Western Health, the Australian Accounting Standards Board, Telstra Sale Company, V/Line Passenger Corporation and Barristers Chambers Limited. She previously held senior management positions in the financial services sector including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia and a former member of the Foreign Investment Review Board (FIRB).

Board recommendation and undirected proxies: The Board (with the exception of Ms Williams in relation to her own re-election) recommends that shareholders vote in FAVOUR of Item 3.

4. Election of Director

Mr Bruce Brook was appointed to the Board in August 2021 and so is seeking election by shareholders for the first time.

**Bruce Brook
BCom, BAcc, FCA, MAICD**

Mr Brook was appointed to the Board in August 2021. Mr Brook is a Director of Newmont Corporation, Incitec Pivot Limited and CSL Limited.

Mr Brook has an extensive breadth of executive experience in diverse industries, including mining, finance, manufacturing and chemicals. In particular, Mr Brook has valuable insight and experience in relation to risk, capital discipline, change management, corporate culture and creating shareholder value.

Mr Brook was Chief Financial Officer of WMC Resources Limited from 2002 to 2005. He also held key executive roles including Deputy Chief Finance Officer of ANZ Banking Group Limited, Group Chief Accountant of Pacific Dunlop Limited and General Manager, Group Accounting positions at CRA Limited and Pasminco Limited.

The Board (with the exception of Mr Brook) recommends that shareholders vote in favour of the election of Mr Brook.

Further information regarding the Company's corporate governance arrangements and the Board's role can be found on the Company's website at:

djerri.com.au/Corporate-Governance.aspx

EXPLANATORY NOTES

continued

5. Renewal of Proportional Takeover Provisions in the Constitution

Board recommendation and undirected proxies: The Board recommends that shareholders vote in FAVOUR of Item 5. The Chairman of the meeting intends to vote undirected proxies in FAVOUR of Item 5.

Background

The *Corporations Act 2001* (Cth) permits a company to include rules in its Constitution which enable the company to refuse to register a transfer of shares resulting from a proportional takeover bid unless shareholders in the bid class in a meeting approve the takeover bid.

It is a requirement of the Corporations Act that such proportional takeover approval provisions in a company's constitution apply for a maximum period of three years, unless earlier renewed. In the case of the Company, such proportional takeover approval provisions (existing Rules 79 and 80 of the Company's constitution) were approved by shareholders at the 2018 AGM and will expire on 9 October 2021.

The Directors consider that it is in the best interests of shareholders to renew these provisions in their existing form. Accordingly, a special resolution is being put to shareholders under Section 648G of the Corporations Act to renew Rules 79 and 80 of the Company's constitution.

If approved by shareholders at the meeting, Rules 79 and 80 will operate for three years from the date of the meeting (that is, until 7 October 2024) unless renewed earlier.

Proportional Takeover Bids

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the target company.

This means that control of the target company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may acquire control of the target company without paying an adequate premium for gaining control.

To address this possibility, a company may provide in its Constitution that, in the event of a proportional takeover bid being made for shares in the company, the directors must convene a meeting of shareholders to vote on a resolution to approve that bid.

A meeting convened under the proportional takeover approval provisions is treated as a general meeting of the company and the majority decision of the company's members will be binding on all individual members.

Effect of Proposed Proportional Takeover Approval Provisions

Where a proportional takeover bid is made, the Directors must convene a meeting of shareholders to vote on a resolution to approve the proportional bid before the 14th day prior to the closing of the bid period.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the takeover bid was made, held bid class shares is entitled to vote. Neither the bidder nor its associates are entitled to vote on the resolution.

If a meeting is not held, Section 648E of the Corporations Act deems a resolution approving the proportional bid to have been passed thereby allowing the proportional bid to proceed. Further, the Directors will contravene the Act if they fail to ensure a resolution to approve the bid is voted on.

If the resolution is rejected, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited and the bid will be deemed to be withdrawn. If the resolution is passed or deemed to have been passed, the transfer of shares resulting from acceptance of an offer under that bid will be permitted and the transfer of shares will be registered provided they comply with the other provisions of the Constitution.

Rules 79 and 80 will not apply to full takeover bids.

Reason for Proposing the Resolution

The Directors consider that the renewal of Rules 79 and 80 is in the best interests of all shareholders of the Company. In the Directors' view, shareholders should have the opportunity to vote on a proposed proportional takeover bid.

In the absence of Rules 79 and 80 (as renewed), a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a party who has not offered to acquire 100 per cent of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100 per cent ownership).

As a result, if a proportional takeover bid for the Company is made:

- shareholders may not have the opportunity to dispose of all their shares; and
- shareholders risk being locked into a minority position in the Company or suffering loss following such a change of control if the bid causes a decrease in the market value of shares.

If Rules 79 and 80 are renewed, the Board considers that this risk will be minimised by enabling shareholders to decide whether or not a proportional takeover bid should be allowed to proceed.

Present Acquisition Proposals

As at the date of this notice, the Directors are not aware of any proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

Review of Proportional Takeover Approval Provisions

The Corporations Act requires these explanatory notes to discuss retrospectively the potential advantages and disadvantages of the proportional takeover approval provisions for both Directors and shareholders.

While the proportional takeover approval provisions have been in effect, there have been no takeover bids for the Company – either proportional or otherwise. So there are no actual examples against which to review the advantages and disadvantages of the existing proportional takeover approval provisions for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid which was discouraged by Rules 79 and 80.

In addition to looking at the provisions retrospectively, the Corporations Act also requires these explanatory notes to discuss the potential future advantages and disadvantages of the proposed proportional takeover approval provisions for both Directors and shareholders.

The Directors consider that there are no advantages or disadvantages for the Directors in renewing the proposed proportional takeover approval provisions. In particular, there is no restriction on their ability to make a recommendation on whether a proportional takeover bid should be accepted.

For shareholders, the potential advantage of renewing the proportional takeover approval provisions is that they provide shareholders with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This ensures that shareholders have an opportunity to have a say in the future ownership and control of the Company. The Directors believe that this would encourage any future proportional bids to be structured so as to be attractive to a majority of shareholders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

A potential disadvantage for shareholders arising from renewing the proportional takeover approval provisions is that they may discourage proportional takeover bids being made and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional bid being made. As a result, shareholders may not have the opportunity to dispose of a portion of their shares at an attractive price where the majority rejects an offer from a party seeking control of the Company.

The Directors consider that the potential advantages for shareholders of the proposed proportional takeover approval provisions outweigh the potential disadvantages.

Shareholder Approval

To pass as a special resolution, this item of business requires the support of 75 per cent or more of the votes cast on the resolution.

SHAREHOLDER INFORMATION

Shareholders and Proxyholders have three options for participating at the AGM:

In person

Online via the 'Lumi Online Platform' (access via web.lumiagm.com and using meeting ID: **355-175-231**)

Via telephone (listen only)

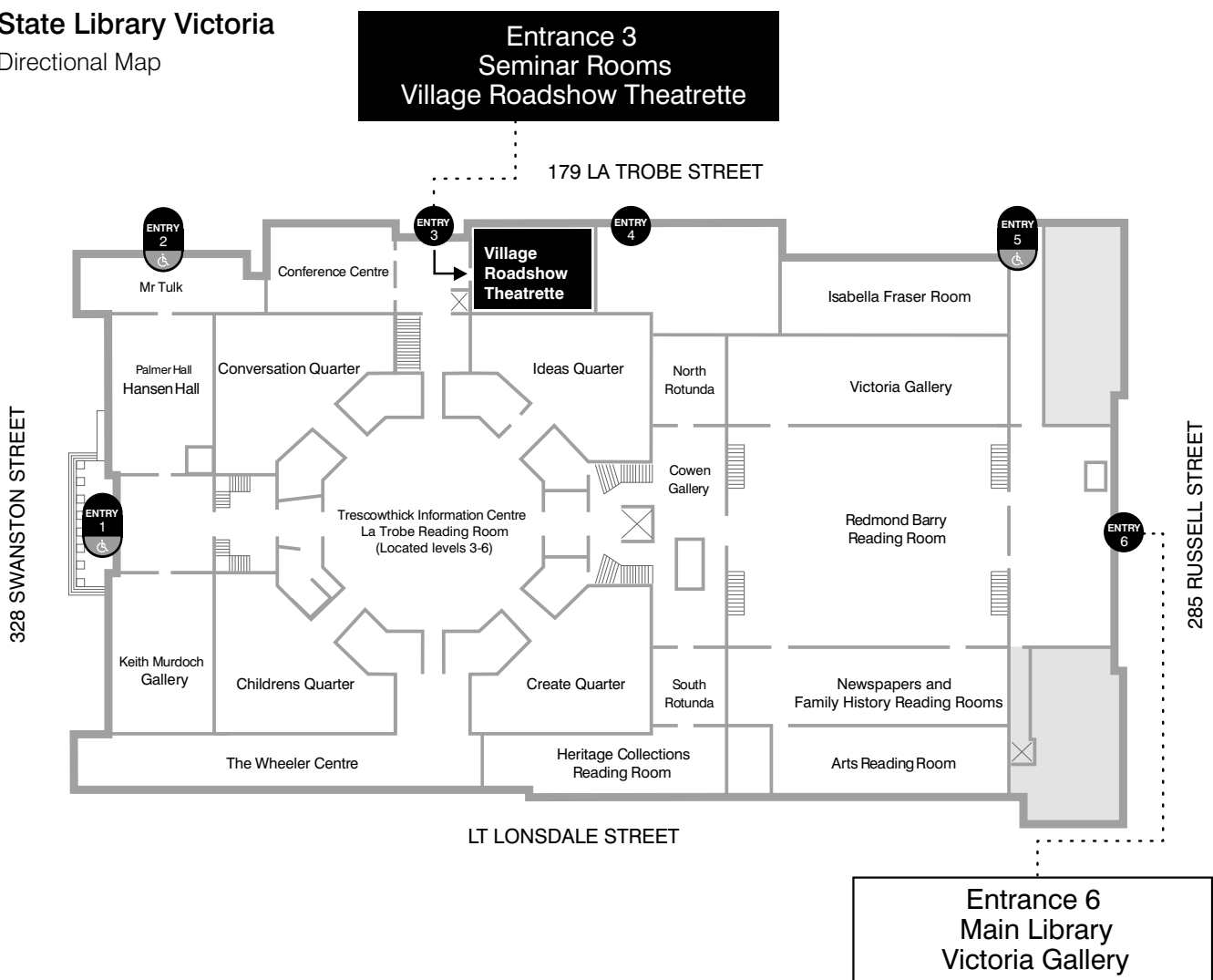
In Person

The AGM will be held at the Village Roadshow Theatrette, State Library of Victoria Conference Centre, 179 La Trobe Street, Melbourne, Victoria, Australia.

Shareholders are currently expected to be able to physically attend the meeting whilst following COVID safe practices at the meeting. Shareholders are encouraged to allow additional time for these COVID safe practices. While shareholder can attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. The Company will continue to monitor Federal and State Government restrictions on public gatherings and should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 7 October 2021 via the Company's website at djerri.com and the ASX announcement platform.

State Library Victoria

Directional Map



Via the Online Platform

Please use the following link web.lumiagm.com using code: **355-175-231**.

Using an online platform via a computer, mobile phone or iPad/tablet device with internet access you will be able to join and participate in the meeting.

Shareholders and proxyholders will have the ability to vote and ask questions in real time during the AGM and to hear all of the discussion via the online platform, subject to connectivity of your device. You will need to provide your shareholder details (including your SRN or HIN and registered postcode) to be verified as a shareholder. **Proxy holders will need to phone the Computershare call centre one hour before the meeting to obtain their login details.**

A detailed guide on how to participate virtually is set out in the Online Meeting Guide on our website djerri.com.au. This Guide explains how you can ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site.

Via Telephone

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: 1498803

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 **1498803**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference.

International dial-in numbers will be available via the Company's website. Shareholders and proxyholders will be able to listen into the presentation and discussion via telephone. There will not be a facility to ask questions via the telephone.

Voting Options For the AGM

- Voting in person at the meeting
- Direct voting via the online AGM platform during the AGM
- Appointing a proxy

All Resolutions Will be Conducted by Poll

As some shareholders may participate virtually in the Meeting each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the Meeting.

Direct Voting Via Online AGM Platform – During the AGM

In accordance the Company's Constitution ('Constitution'), the Directors have determined that at the AGM, a shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution and have approved the use the online AGM platform as the means by which shareholders can deliver their direct vote in real time during the AGM.

Shareholders can participate in the AGM via the online AGM platform and will be able to vote directly through the online platform in real time. Shareholders and proxyholders can vote directly online at any time between the start of the AGM at 10.00am (AEDT) and the closure of voting as announced by the Chairman during the Meeting.

More information regarding direct voting during the AGM is detailed in the Online Meeting Guide available on our website djerri.com.au.

SHAREHOLDER INFORMATION

continued

Proxies

If you cannot attend the meeting online at the scheduled time, you can participate in the AGM by appointing a proxy to attend and vote at the AGM. Shareholders can appoint a proxy on the enclosed Proxy Form, instructions on how to lodge the Proxy Form are contained in the attached Notice of Meeting.

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
3. **Proxy forms may be lodged online by visiting investorvote.com.au or by scanning the QR Code on the proxy form with a mobile device.**
4. **Relevant custodians may lodge their proxy forms online by visiting intermediaryonline.com**
5. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be also delivered, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **10.00am (AEDT) on Tuesday 5 October 2021**. Further details are on the proxy form.

6. A proxy need not vote in that capacity on a poll (unless the proxy is the Chairman of the meeting). However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
7. In certain circumstances the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:
 - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
 - the appointed proxy is not the Chairman of the meeting; and
 - at the meeting, a poll is called on the resolution; and
 - either of the following apply:
 - if a record of attendance is made for the AGM and the proxy is not recorded as attending; and
 - the proxy does not vote on the resolution.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Evidence of the appointment of a corporate representative must comply with section 250D of the Corporations Act 2001 and be lodged with the Company before the AGM.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

Questions From Shareholders

Shareholders who are unable to attend the meeting or who prefer to register questions in advance are invited to use the question form included with their proxy form or via email agm@djerri.com.au. The deadline for receipt of questions by email to be considered at the AGM is **23 September 2021**. During the course of the meeting, the Chairman will endeavour to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

You may also submit questions and comments during the AGM in real time via the online platform. Please note, only shareholders may ask questions online. More information regarding asking questions during the AGM is detailed in the Online Meeting Guide available on our website djerri.com.au.

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street Address

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Postal Address

GPO Box 242
Melbourne VIC 3001

Telephone

1300 662 270 (within Australia)
0800 333 501 (within New Zealand)
+61 3 9415 4373 (outside Australia)

Facsimile

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Internet

investorcentre.com/contact

COVID-19 Safety

In attending the meeting, please:

1. Play Your Part to Keep Our Community Safe

- Stay at home if you are feeling unwell
- Adhere to physical distancing measures
- Practice good personal hygiene, wash your hands often
- Follow appropriate cough and sneeze etiquette
- Download the COVIDSafe app

2. Register Your Attendance

Visitor contact details (inclusive of contact name and phone number) must be collected as part of the AGM registration process and for contact tracing purposes. This is in accordance with Victorian Government guidelines to assist with rapid contact tracing in the event of a confirmed COVID-19 case. This can be done via the Services Victoria app by scanning the QR code on your smart device on arrival, or by providing you details to the Share Registry staff when registering your attendance at the AGM.

3. Temperature Checks

To ensure the safety of anyone who enters the venue, the State Library has placed temperature checks at each building entry point. Anyone attending the AGM will be screened on arrival prior to being able to obtain access to the venue. Temperature checks are conducted by non-invasive thermal imaging technology allowing multiple people to be scanned at once or by a handheld device.

4. Restricted Building Access

The State Library has identified a specific entry and exit point to help manage physical distancing and maintain sanitisation stations and temperature checks. The following entry and exit point is identified for building access, however are subject to change based on event demand.


- La Trobe Street entrance which will have a dedicated entrance door.


Please note: Contact tracing information and temperature checks will take place at the entry point, upon entering the building. We thank you for your understanding.



DJW
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 653 915 (within Australia)
+61 3 9415 4190 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) Tuesday 5 October 2021**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions. Each resolution considered at the meeting will be conducted by a poll.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 1234567890

I N D

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

XX

I/We being a shareholder/s of DJERRIWARRH INVESTMENTS LIMITED hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **Djerriwarrh Investments Limited** held at **Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe St, Melbourne, Victoria and via an online platform at 10.00am (AEDT) on Thursday 7 October 2021** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of item 2 even though item 2 is connected directly or indirectly with the remuneration of a member of key management personnel of Djerriwarrh Investments Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Director - Ms Alice Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Election of Director - Mr Bruce Brook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Renewal of Proportional Takeover Provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date ____/____/____

D J W

2 7 5 8 1 5 A



Computershare



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030



Questions from Shareholders

The Annual General Meeting (AGM) of Djerriwarrh Investments Limited will be held at Village Roadshow Theatre, State Library of Victoria Conference Centre, 179 La Trobe St, Melbourne Victoria and via an online platform at 10.00am (AEDT) on Thursday 7 October 2021. Shareholders who are unable to attend the meeting, or who prefer to register questions in advance, are invited to submit any questions they have by completing and returning this form.

Please return your completed question form to our Share Registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, or by facsimile to 1800 783 447 (outside Australia +61 3 9473 2555) by Thursday 23 September 2021. The envelope provided for the return of your proxy form may also be used for this purpose.

You may also submit written questions to the auditor if the questions are relevant to the content of the auditor's report or the conduct of the audit of the financial statements to be considered at the AGM.

We will endeavour, during the course of the AGM, to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

Question(s):

Please mark if it is a question directed to the auditor

1		<input type="checkbox"/>
2		<input type="checkbox"/>
3		<input type="checkbox"/>
4		<input type="checkbox"/>