



23 February 2022

The Manager
ASX Market Announcements
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Electronic Lodgement

AMCIL Limited
Half Year Review to 31 December 2021

Dear Sir / Madam

Please find attached the Half Year Review to 31 December 2021 that is being sent to shareholders.

Yours faithfully

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

Matthew Rowe
Company Secretary

Release authorised by Matthew Rowe, Company Secretary



A Focused Portfolio
of Australian Equities

Half-Year Review to 31 December 2021

AMCIL MANAGES A FOCUSED PORTFOLIO COVERING LARGE AND SMALL COMPANIES IN THE AUSTRALIAN EQUITY MARKET. AS A RESULT, SMALL COMPANIES BY MARKET SIZE CAN HAVE AN EQUALLY IMPORTANT IMPACT ON PORTFOLIO RETURNS AS LARGER COMPANIES IN THE AUSTRALIAN MARKET.

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Half-Year in Summary

	2021	
Profit for the Half-Year	\$3.6m	Up 85.7% from 2020
Fully Franked Interim Dividend	1.0¢	Nil in 2020
Total Six-Month Portfolio Return	10.4% <small>Including franking*</small>	S&P/ASX 200 Index including franking* 4.6%
Total Six-Month Shareholder Return	14.1%	Share price plus dividend
Management Expense Ratio (Annualised)	0.46%	0.53% in 2020
Total Portfolio (Including Cash) at 31 December 2021	\$412.7m	\$344.5 million in 2020

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

About the Company

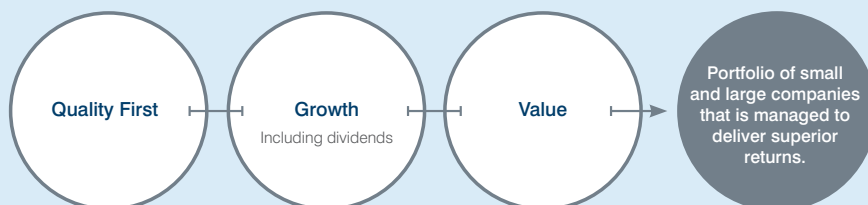
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

How AMCIL Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

We seek to create a diversified portfolio of quality companies which are likely to sustainably grow their earnings and dividends over a medium to long term timeframe.

Our assessment of quality includes criteria such as the board and management, financial position, pricing power 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 its industry are also important indicators of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.

Recognising value is also an important aspect of AMCIL's investment approach. Our assessment of value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term.

Given the focused nature of the portfolio, AMCIL is more active in managing the holdings. Our preference is that positions will be held for the long term.

However, in managing the risk in the portfolio, the Company is prepared to scale back or exit holdings completely if the investment case alters markedly, the position becomes too large in the portfolio or share prices become excessively high.

In managing the portfolio in this way, we believe AMCIL can offer investors returns in excess of the S&P/ASX 200 over the long term.

Given the greater concentration of the portfolio, there may be periods when the performance of AMCIL can vary quite markedly from the Index. The objective is to deliver outperformance over the medium to long term.

From time to time, the Company also uses options written against some of its investments and a small trading portfolio to generate additional income.

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 and Declaration of an Interim Dividend

Half-year profit of \$3.6 million was up from \$1.9 million in the previous corresponding period. Revenue from investments increased from \$2.6 million to \$4.6 million, as companies increased or reinstated dividend payments because of improved trading conditions despite ongoing disruptions from the COVID-19 pandemic. With the full-year result for the financial year ending 2021 the Board announced a change in dividend policy. In summary, the change meant that AMCIL will no longer be paying out all available franking credits at the end of each financial year, as was the case under the previous policy. Dividends will now be assessed at each result and will be an outcome of the

amount of income received, the amount of realised capital gains, the level of franking credits generated and investment market conditions at the time.

This change in policy also provides greater flexibility in paying an interim dividend.

As a result, the Board declared an interim dividend of 1 cent per share, fully franked. The interim dividend is sourced from capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an 'LIC capital gain', attached to this dividend is 1.43 cents. This enables some shareholders to claim a tax deduction in their tax return.



It is expected, subject to financial performance at the time, the Company will continue to provide an interim dividend to shareholders.

The management expense ratio for AMCIL is 0.46 per cent (annualised), with no performance fees.

Share Purchase Plan

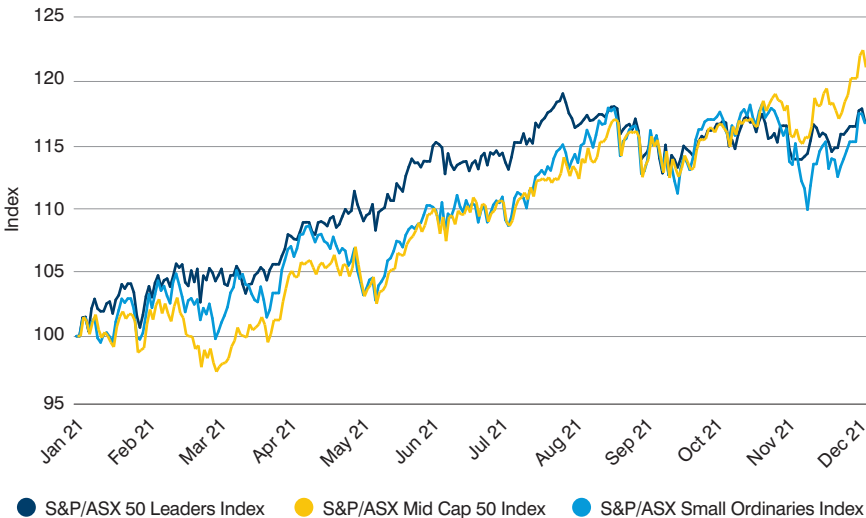
The Board announced its intention to make an offer to shareholders for additional funds under a Share Purchase Plan (SPP) with a discount of 2.5 per cent provided. Details of the SPP were sent to shareholders separately on 1 February 2022 and this offer is due to close on

Wednesday 2 March 2022. AMCIL is fully invested and the additional equity raised will be used for general investment purposes.

Portfolio Performance

Across the different sectors, the market conditions have continued to be volatile through the first half of the 2022 financial year with the Mid Cap 50 sector producing the strongest return over this period driven by resource companies who are seen as beneficiary of the move to decarbonisation and selected industrial companies.

Figure 1: Performance of S&P/ASX 50 Leaders, Small Ordinaries and Mid Cap 50 Indices, 12 Months to 31 December 2021



Source: FactSet

— Review of Operations and Activities —

continued

We believe our long term investment perspective has enabled us to focus on the lasting impacts of these events, rather than the very significant day-to-day noise that is sometimes created in markets by daily news flows.

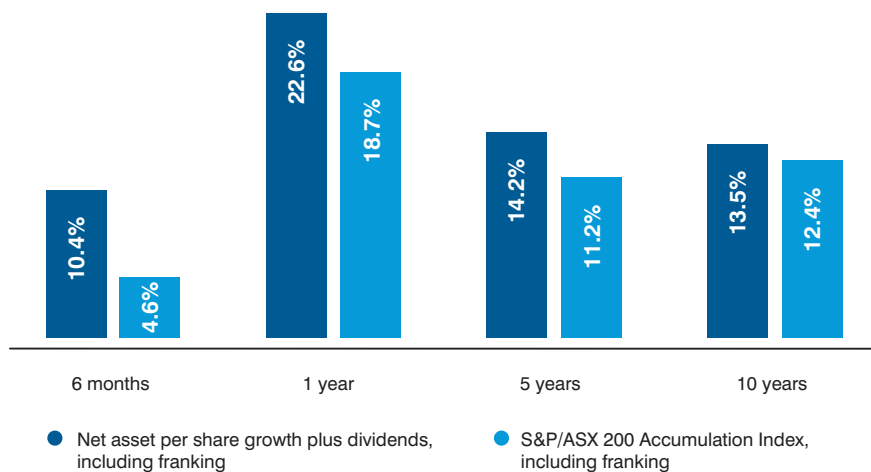
As buoyant economic demand has intersected with the supply chain challenges to create a significant bout of inflation, our positioning in quality companies has seen us well placed to navigate what is potentially a challenging outlook. The ability for a business to pass on cost pressures in its pricing is growing in importance, as is the calibre of executives managing the challenges

faced by businesses in their supply chains and accessing labour.

The other market implication of the inflationary outbreak has been increased interest rate expectations. We have been factoring increased rates into our valuation considerations but continue to rank investment opportunities based on our conviction in their long term outlook, rather than seeking to identify short term beneficiaries of the likely market rotation that will occur with rising interest rates.

AMCIL's focus on quality companies and long term investment approach has been suited to dealing with such challenging

Figure 2: Portfolio Performance to 31 December 2021, Including the Benefit of Franking*



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

Per annum returns other than six months. AMCIL's performance figures are after costs.

conditions. AMCIL's total portfolio return, including franking, over the six months to 31 December 2021 was 10.4 per cent. In contrast, the S&P/ASX 200 Accumulation Index, including franking, was up 4.6 per cent over this period.

The most significant contributors to portfolio performance over the six months to 31 December 2021 have come from our holdings in Mainfreight, Macquarie Group, Macquarie Telecom, Sydney Airport, Goodman Group, ARB Corporation and James Hardie Industries. There was little in the way of large offsetting poor performers over the half-year, other than Westpac and BHP, which enabled us to capture full value from these strong-performing holdings and deliver short term portfolio outperformance.

Over 12 months to 31 December 2021, AMCIL's total portfolio return, including franking, was 22.6 per cent, whereas the S&P/ASX 200 Accumulation Index, including franking, was up 18.7 per cent.

Adjustments to the Portfolio

Our investment activity has been relatively subdued given our overall satisfaction with the current positioning of the portfolio.

During the period, a setback in the share prices of both Netwealth Group and Domino's Pizza Enterprises allowed us

to initiate positions in these companies that we rank highly for the strength of their market sectors, their long term growth prospects and the quality of their owner/driver management teams.

We also identified some attractive opportunities in the emerging part of the portfolio. Lark Distilling Co. is a new holding in the portfolio. We see the company as well placed to build a premium global brand to capture the growing interest in Tasmanian whisky. Beamtree was a small holding that we increased in the period. It is building a very interesting health data offering to assist hospitals and pathology operators with billing and health outcome data, driving financial and clinical benefits.

Our most material transaction was to switch our bank holdings, replacing National Australia Bank with Westpac. This was done with a medium term view of value while recognising the significant work ahead of Westpac to capture this potential uplift. Other material positions exited in the period were NEXTDC and Seek, where we felt valuations were looking stretched on a long term basis, particularly with a view to increasing interest rates. In this context, we also reduced holdings in ARB Corporation, Macquarie Telecom, Objective Corporation and Xero throughout the period.

Review of Operations and Activities

continued

Figure 3 highlights the profile of the portfolio by various sectors of the market which is very different to the sector profile of the S&P/ASX 200 Index.

Share Price Performance

At 31 December 2021, the share price (at \$1.35 cents) was trading very close to the net asset backing per share of \$1.34 per share (Figure 4).

Figure 5 outlines the benefit of compound returns and the value of AMCIL's investment approach given the relative total share price return (including dividends and franking) from an investment of \$1,000 in AMCIL over 10 years versus the return from the combined S&P/ASX 200 Index, including franking.

Figure 3: Investment by Sector as at 31 December 2021 Versus the S&P/ASX 200 Index

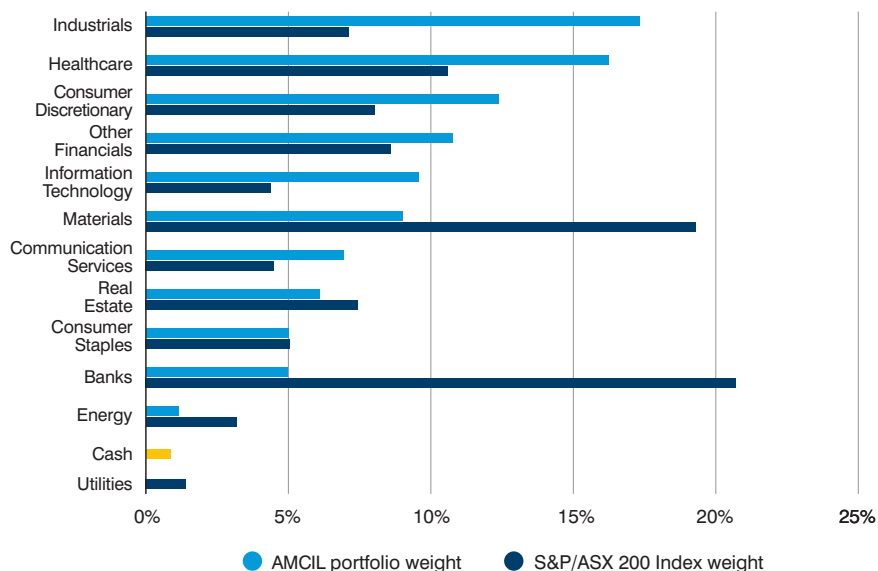


Figure 4: Share Price Relative to Net Asset Backing

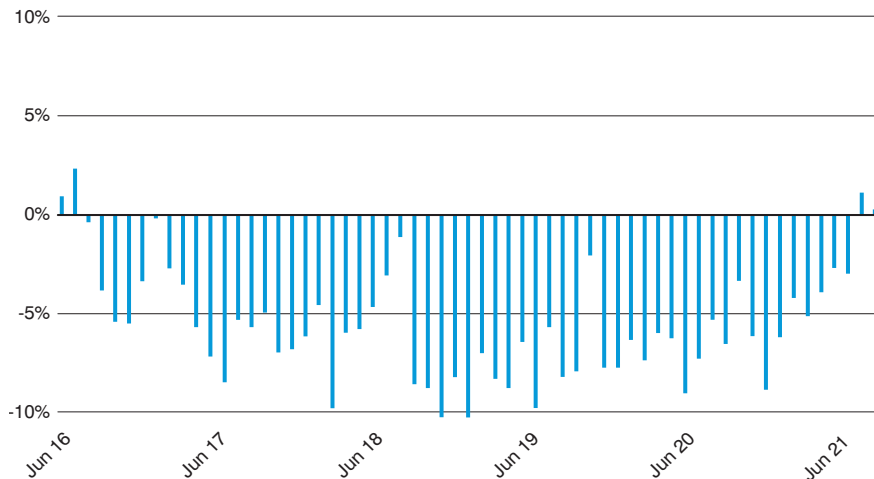
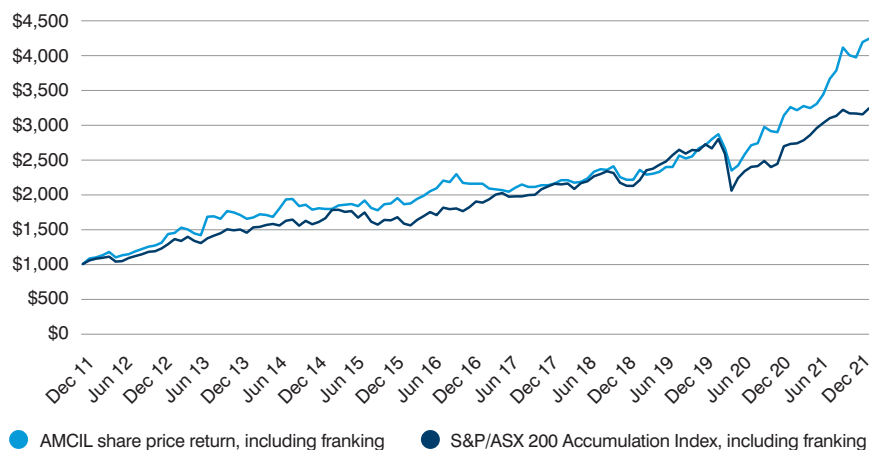


Figure 5: Performance of an Investment of \$1,000 in AMCIL Shares Including Dividends and Franking Over 10 Years to 31 December 2021



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

— Review of Operations and Activities —

continued

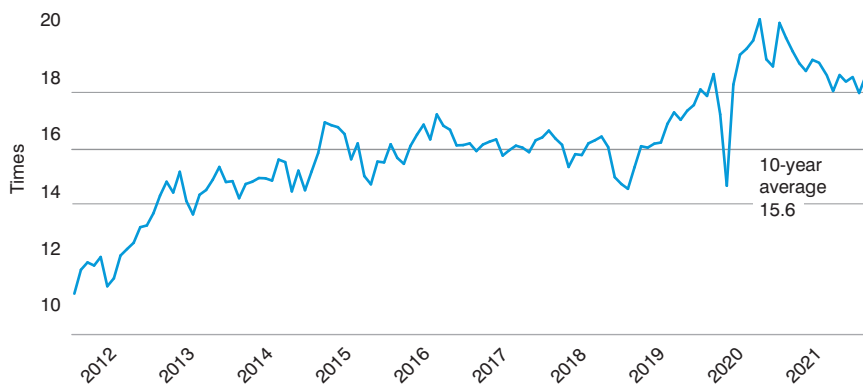
Outlook

In a market characterised by high valuations (Figure 6), the recent fall in share prices of some companies in the portfolio with heightened valuations has the potential to provide short term headwinds to performance. However, we believe that from a long term perspective, the portfolio is suitably placed to navigate volatile market conditions that are likely to prevail as interest rates are expected to rise following on from a post-COVID-19

economic recovery in the United States and elsewhere. AMCIL remains focused on long term opportunities in high-quality companies and we are confident that with patience, future market volatility will provide additional opportunities to invest. At the end of December 2021, AMCIL was close to fully invested and has therefore announced a Share Purchase Plan with this result to provide additional funds for the portfolio.



Figure 6: S&P/ASX 200 Price Earnings Ratio



Source: FactSet



Top 20 Investments

As at 31 December 2021

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 31 December 2021

		Total Value \$ Million	% of the Portfolio
1	CSL	33.4	8.2
2	Mainfreight	30.1	7.3
3	BHP Group	22.2	5.4
4	Macquarie Group	21.9	5.4
5	Wesfarmers	21.1	5.1
6	Transurban Group	17.5	4.3
7	Goodman Group	16.1	3.9
8	James Hardie Industries	14.7	3.6
9	IRESS	14.6	3.6
10	Woolworths Group	14.4	3.5
11	Macquarie Telecom Group	13.5	3.3
12	ARB Corporation	12.3	3.0
13	FINEOS Corporation	11.9	2.9
14	Westpac Banking Corporation	11.5	2.8
15	ASX	10.5	2.6
16	ResMed	10.4	2.5
17	Reece	9.8	2.4
18	Carsales.com	9.3	2.3
19	PEXA Group	9.0	2.2
20	Commonwealth Bank of Australia	8.9	2.2
Total		313.0	

As percentage of total portfolio value (excludes cash) **76.5%**

Income Statement

For the Half-Year Ended 31 December 2021

	Half-Year 2021 \$'000	Half-Year 2020 \$'000
Dividends and distributions	4,592	2,565
Revenue from deposits and bank bills	-	3
Net gains/(losses) on trading and options portfolios	(3)	96
Other income	-	51
Total income	4,589	2,715
Finance costs	(59)	(49)
Administration expenses	(935)	(810)
Profit before income tax expense	3,595	1,856
Income tax credit	12	86
Profit for the half-year	3,607	1,942
	Cents	Cents
Earnings per share	1.20	0.69

Balance Sheet

As at 31 December 2021

	31 Dec 2021 \$'000	30 June 2021 \$'000
Current assets		
Cash	3,489	10,933
Receivables	2,273	3,315
Trading portfolio	3,225	-
Total current assets	8,987	14,248
Non-current assets		
Investment portfolio	405,963	371,865
Deferred tax assets	104	-
Total non-current assets	406,067	371,865
Total assets	415,054	386,113
Current liabilities		
Payables	90	83
Options written portfolio	-	47
Borrowings – bank debt	6,000	-
Tax payable	5,582	5,605
Total current liabilities	11,672	5,735
Non-current liabilities		
Deferred tax liabilities – other	-	58
Deferred tax liabilities – investment portfolio	50,327	44,977
Total non-current liabilities	50,327	45,035
Total liabilities	61,999	50,770
Net assets	353,055	335,343
Shareholders' equity		
Share capital	211,261	208,987
Revaluation reserve	102,412	88,605
Realised capital gains reserve	29,152	28,299
Retained profits	10,230	9,452
Total shareholders' equity	353,055	335,343

Summarised Statement of Changes in Equity

For the Half-Year Ended 31 December 2021

	Half-Year 2021 \$'000	Half-Year 2020 \$'000
Total equity at the beginning of the half-year	335,343	254,895
Dividends paid	(13,285)	(6,879)
Shares issued – Dividend Reinvestment Plan	2,284	1,276
– Share Purchase Plan	-	18,178
Costs of share issues	(10)	(46)
Total transactions with shareholders	(11,011)	12,529
Profit for the half-year	3,607	1,942
Revaluation of investment portfolio	35,998	51,922
Provision for tax on revaluation	(10,882)	(15,681)
Revaluation of investment portfolio (after tax)	25,116	36,241
Total comprehensive income for the half-year	28,723	38,183
Realised gains on securities sold	16,842	8,236
Tax on realised gains on securities sold	(5,533)	(2,202)
Net realised gains on securities sold	11,309	6,034
Transfer from revaluation reserve to realised gains reserve	(11,309)	(6,034)
Total equity at the end of the half-year	353,055	305,607

A full set of AMCIL's interim accounts are available on the Company's website.

Holdings of Securities

As at 31 December 2021

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784 and posted to AMCIL's website: amcil.com.au).

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

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
AIA	Auckland International Airport	Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property	1,000	7,200
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	235	12,324
ASX	ASX	Operator of Australia's largest securities exchange	113	10,498
BHP	BHP Group	Diversified international resources company	536	22,244
BMT	Beamtree Holdings	Healthcare company which provides clinical decision support software known as 'Rippledawn' which automates human decision-making processes in healthcare organisations	9,205	4,510
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	216	6,854
CAR	Carsales.com	Largest online automotive classifieds business in Australia. It also has interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	370	9,271
CBA	Commonwealth Bank of Australia	Banking and wealth management services	88	8,858

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
COH	Cochlear	Provider of implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants	29	6,274
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	115	33,354
DMP	Domino's Pizza Enterprises	Largest international master franchise owner of the Domino's Pizza brand with operations in Australia, Europe and Asia	33	3,895
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	259	6,875
FCL	FINEOS Corporation	Global software company that provides software solutions to the life, accident and health insurance industry	2,588	11,932
FPH	Fisher & Paykel Healthcare Corporation	Designer, manufacturer and marketer of a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	204	6,213
GMG	Goodman Group	Engages in the development, owning, and management of industrial property and business space in Australia and overseas	606	16,059
IRE	IRESS	Provider of share market and wealth management information systems	1,166	14,575
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	267	14,737

Holdings of Securities

As at 31 December 2021 continued

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
LRK	Lark Distilling Co.	Leading producer of Tasmanian whisky through the Lark whisky brand	1,200	6,216
MAQ	Macquarie Telecom Group	Provider of voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	185	13,540
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	340	30,063
#	Marketplacer (unlisted)	Is a software company that provides the technology and infrastructure needed to establish and maintain online marketplaces for retail and B2B customers	977	1,622
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	107	21,941
NWL	Netwealth Group	Diversified financial services company providing independent investment platform services to institutional, corporate and retail clients	285	5,042
OCL	Objective Corporation	Provider of information technology software and services	274	5,454
PXA	PEXA Group	Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home	451	8,969

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
REA	REA Group	Leading digital media business focusing on online property portals in Australia and overseas	35	5,875
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	361	9,751
RHC	Ramsay Health Care	Engages in provision of healthcare services and the operation of hospitals and day surgery facilities in Asia Pacific, United Kingdom and France	85	6,042
RMD	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	290	10,376
STO	Santos	Australian energy company that engages in the exploration, development, transportation, and marketing of natural gas	753	4,751
SYD	Sydney Airport	Engages in the operation and ownership of the Sydney International Airport	777	6,746
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,266	17,493
TPW	Temple & Webster	Operator of an online retailer of furniture and homewares. It provides lifestyle products from Australian and international designers	619	6,661
WBC	Westpac Banking Corporation	Banking and wealth management services	540	11,529

Holdings of Securities

As at 31 December 2021 continued

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
WES	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The group also operates businesses involved in coal mining, energy, chemicals, fertilisers, industrial and safety products	355	21,052
WOW	Woolworths Group	Operator of general merchandise consumer stores and supermarkets in Australia and New Zealand	380	14,425
XRO	Xero	Developer of cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	42	5,969
Total				409,188

Top 5 Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
Westpac	14,047
Lark Distilling Co.	6,000
Santos (as a result of the merger with Oil Search)	4,848
Domino's Pizza Enterprises	4,028
Netwealth Group	3,981

Disposals	Proceeds (\$'000)
National Australia Bank [#]	14,722
NEXTDC [#]	7,211
Sydney Airport	5,977
Seek [#]	5,687
Oil Search [#] (as a result of merger with Santos)	4,848

[#] Complete disposals from the portfolio.

New Companies Added to the Portfolio

Westpac
Lark Distilling Co.
Santos (as a result of the merger with Oil Search)
Domino's Pizza Enterprises
Netwealth Group
Marketplacer (unlisted placement)

Company Particulars

AMCIL Limited (AMH)

ABN 57 073 990 735

Directors

Rupert Myer AO, Chairman
Mark Freeman, Managing Director
Jodie Auster
Roger Brown
Michael Hirst
Siobhan McKenna
Jonathan Webster AM

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@amcil.com.au
Website amcil.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 Lines 1300 653 916
+61 3 9415 4224
(from overseas)
Facsimile +61 3 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

AMH Ordinary shares

Annual General Meeting

Note the shareholder meetings which are usually held in March in various capital cities have been replaced by a webinar/telephone briefing to be held on 29 March 2021 at 1.30pm.

Registration details for the webinar and dial-in details for teleconference participants have been provided in a separate invitation letter/email to shareholders.

