

29 March 2022

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**Djerriwarrh Investments Limited
Shareholder Teleconference/Webcast Presentation**

Please find attached the presentation to be given at the Shareholder Teleconference/
Webcast being held today, **Tuesday 29 March 2022 at 10.00 am (AEDT)**.

A reminder of the briefing details:

Webcast Link: Please find the webcast link <https://edge.media-server.com/mmc/p/pbfmaq4t> (This link will open directly in your internet browser).

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

Telephone: **1800 175 864 (free call within Australia)**
 1300 212 365 (mobile, free call within Australia)
 +61 2 8373 2850 (outside Australia)
Conference ID: **3286823**

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 **3286823**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference. During the call you can indicate if you would like to ask a question by pressing (*1) on your telephone keypad and wait for your name to be announced. International Dial-In Numbers will be available via the Company's website.

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

Matthew Rowe
Company Secretary
ASX Release authorised by the Company Secretary



Djerriwarrh Shareholder Meeting | 29 March 2022

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Agenda

- Overview and Objectives – Mark Freeman
- Portfolio and Market Update – Brett McNeill, Olga Kosciuczyk
- Summary and Outlook – Brett McNeill
- Questions

Overview and Objectives

Overview

- Djerriwarrh is one of the largest income focused Listed Investment Companies ('LIC').
- Djerriwarrh listed on the ASX in 1989. Shareholders get the benefit of full transparency associated with being an LIC, as well as the high governance standards delivered by an Independent Board of Directors.
- Djerriwarrh shareholders own the management rights to the company, with no fee leakage to third parties and no performance fees.
- Djerriwarrh is part of the broader group of LIC's, which also includes AFIC, AMCIL and Mirrabooka. This supports a broader research approach and scale of operations.

Investment Team – over 100 years of ASX investing experience



Brett McNeill
Portfolio Manager



Olga Kosciuczyk
Investment Analyst



Kieran Kennedy
Portfolio Manager



David Grace
Portfolio Manager



Nga Lucas
Investment Analyst



Stuart Low
Investment Analyst



Nicky Sun
Graduate Investment
Analyst



Jeremy Moore
Dealer



Jaye Guy
Investment Analyst

Investment Objectives



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



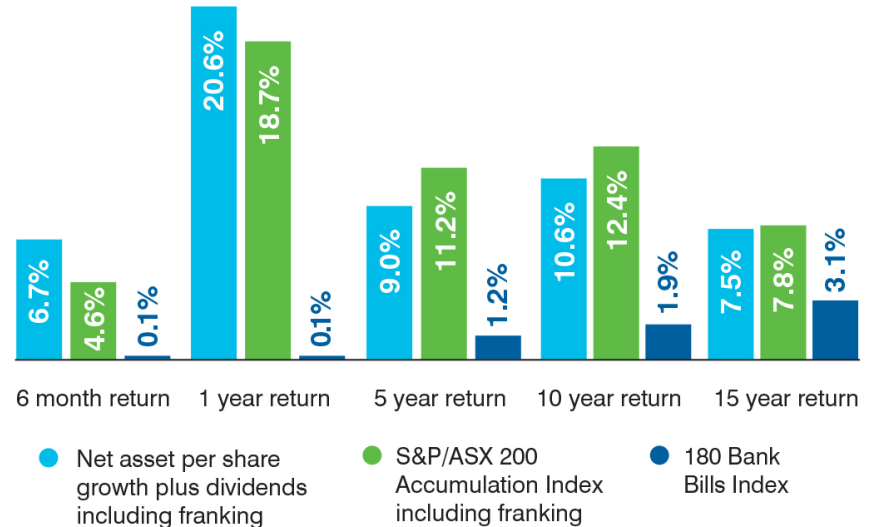
Djerriwarrh aims to provide shareholders with attractive investment returns through access to fully franked dividends and growth in capital invested.

Investment Objectives

How do we achieve our investment objectives?

- We focus on investing in **high quality companies** that can grow their dividends over the long term, aiming to buy them at reasonable valuations.
- Our assessment of **quality** is based on a range of factors including industry structure, competitive advantage, management quality, balance sheet and cash flow strength and ESG.
- We construct the portfolio to deliver the right mix of **income** and **growth**.
- We generate **additional income** from option writing.
- We manage risk by maintaining a **diversified portfolio** of high-quality companies and managing our option positions daily.

Portfolio Performance* per annum returns to 28 February 2022

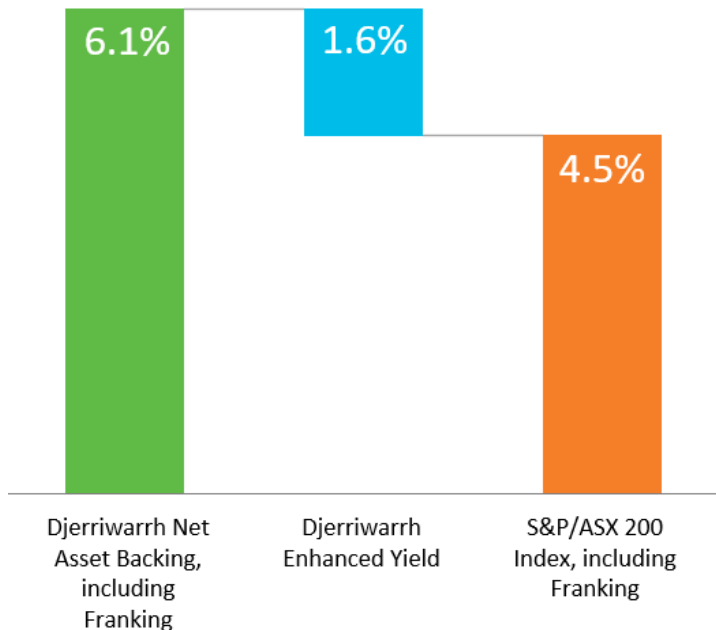


*assumes an investor can take full advantage of the franking credits

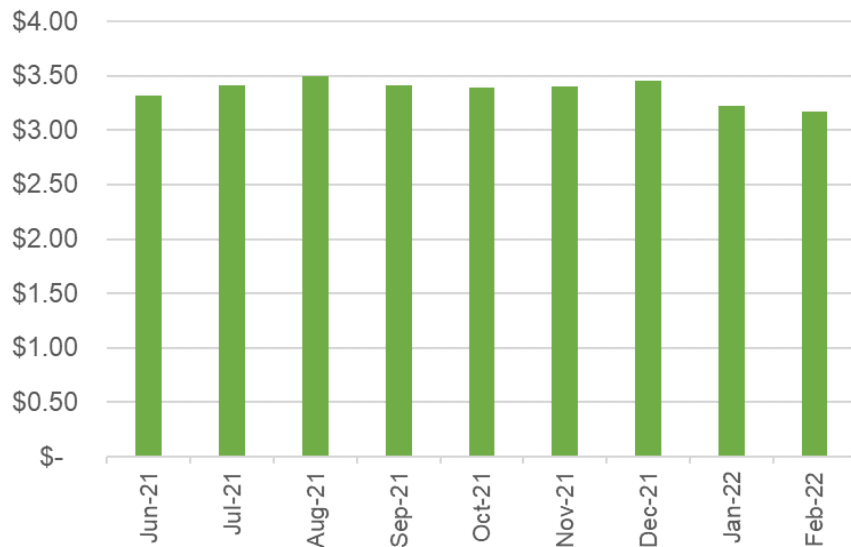
Past performance is not indicative of future performance.

Investment Objectives

Yield vs Benchmark – Year to February 2022



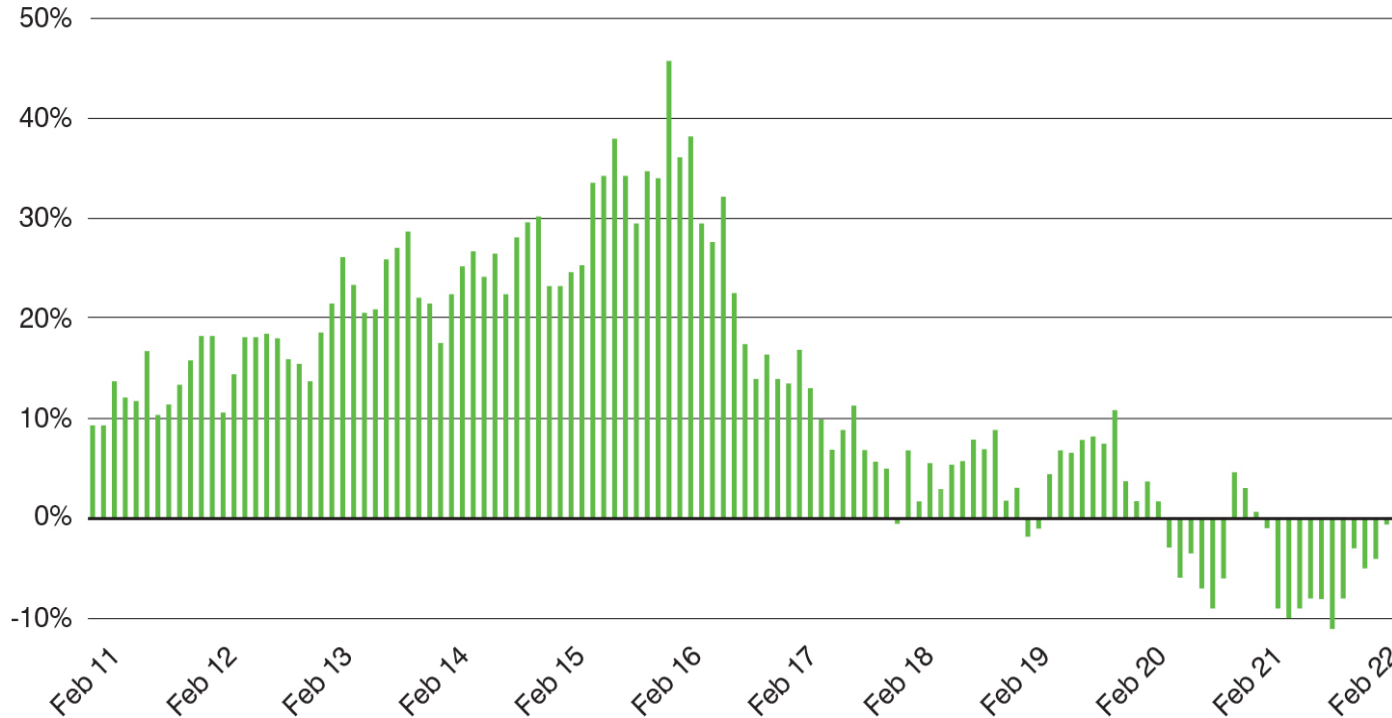
Net Tangible Asset Backing – Financial Year 22 YTD



Yield metrics assume an investor can take full advantage of the franking credits. S&P/ASX 200 Index Yield is the historic yield and 70% franked. Figures for DJW are based on an annualised interim dividend of 6.75 cents per share fully franked.

Share Price vs Net Tangible Asset Backing

The DJW Share Price is currently trading at a discount to Net Tangible Asset Backing:

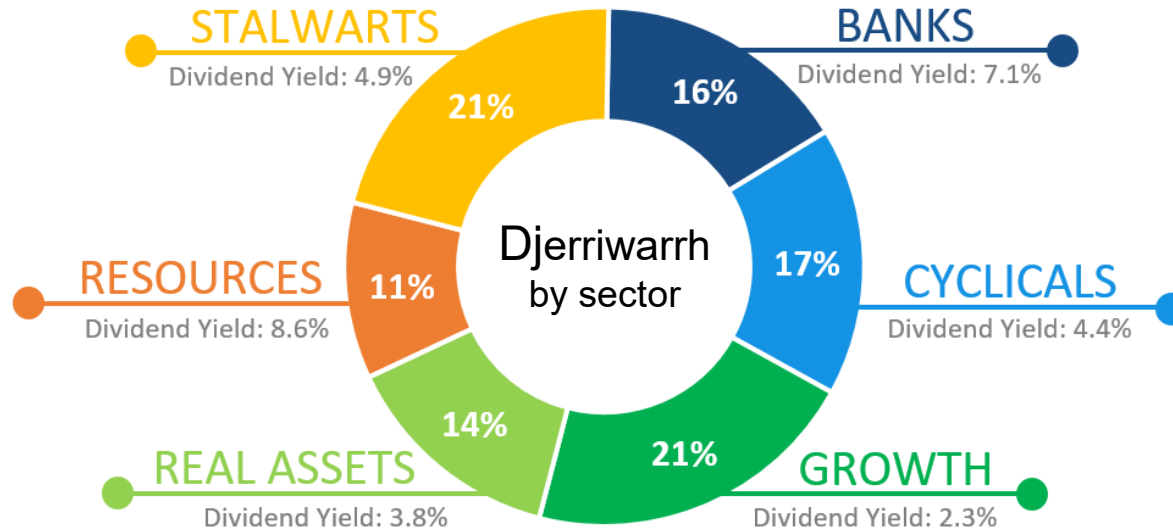


A close-up photograph of a person's hands in a white uniform, likely a warehouse worker, stacking three cardboard boxes. The boxes are brown and have some red markings on the top. The background is blurred, showing more boxes and a person in a white uniform.

Portfolio and Market Update

A diversified mix of income and growth is a key focus for Djerriwarrh

Constructing a portfolio that is **well diversified** across stocks and sectors remains a key focus of our investment strategy. This is the basis for delivering the right mix of **income** and **growth** in order for Djerriwarrh to meet its investment objectives.



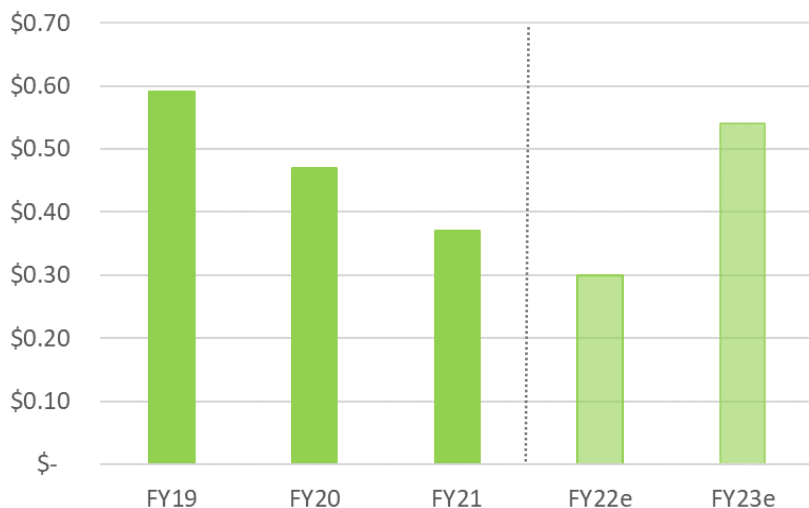
Source: Factset, Djerriwarrh estimates. The Dividend Yields represent Consensus dividend estimates for the next 12 months grossed up for franking credits. Sector weights based on DJW Portfolio weights.

Dividends from 'Real Assets' expected to increase, with 'Resources' expected to decrease

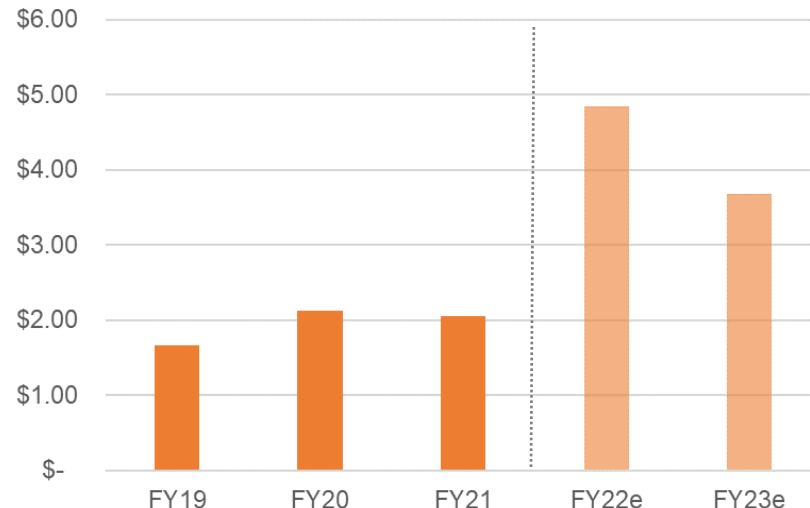
REAL ASSETS: Infrastructure dividends are yet to recover from the pandemic. We expect a strong rebound as economies open back up.

RESOURCES: Current dividend yields are highly attractive for the major miners, but we don't expect dividend growth from these levels.

Transurban - Dividends (\$ per share)



BHP - Dividends (\$ per share)



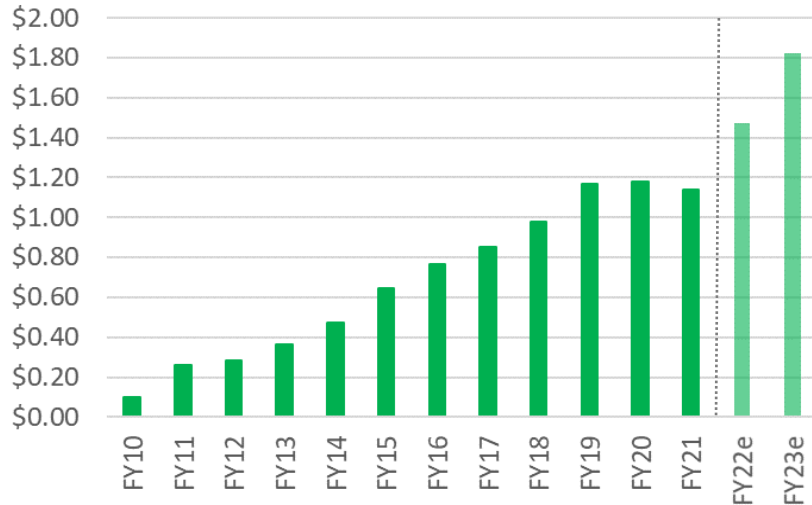
Source: Company Reports, Factset, Djerriwarrh estimates. Note that the Financial Year periods refer to the Dividend 'Ex Date' and therefore line up with Djerriwarrh's Financial Year reporting.

Long term dividend growth is a powerful driver of long term returns

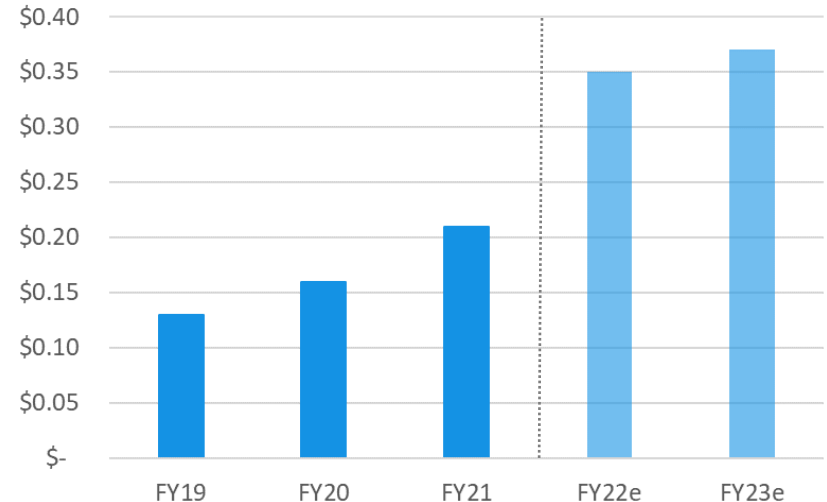
GROWTH: After listing in 1999, REA took 11 years to pay its inaugural dividend. Since then, the annual dividend has grown 11 times from its original amount and is now greater than the share price at IPO.

CYCLICALS: Pinnacle's funds management business is exposed to financial market cycles, but the company's strong growth prospects and balance sheet give us confidence in the dividend profile.

REA Group - Dividends (\$ per share)



Pinnacle Investments - Dividends (\$ per share)



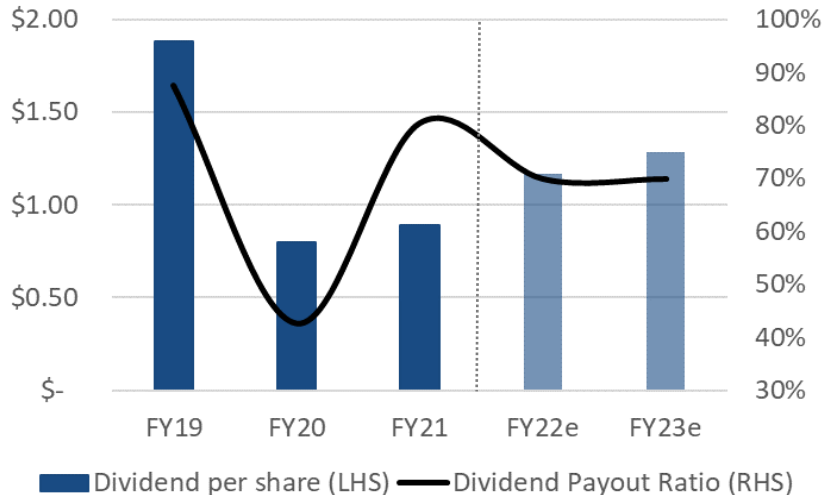
Source: Company Reports, Factset, Djerriwarrh estimates. Note that the Financial Year periods refer to the Dividend 'Ex Date' and therefore line up with Djerriwarrh's Financial Year reporting.

Banks and Stalwarts are positioned to deliver sustainable dividend growth

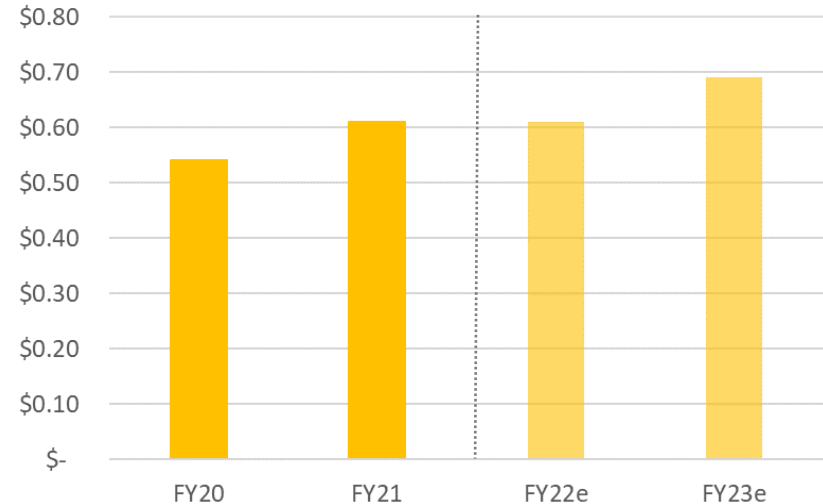
BANKS: Westpac's dividend has recovered slowly as it fixes its core business. It now has a dividend payout ratio around 70%, which is more sustainable than the FY19 level of 90%.

STALWARTS: We expect businesses such as supermarkets to benefit from higher inflation. This is a contributor to the expected growth in Coles' dividend.

Westpac - Dividends (\$ per share)



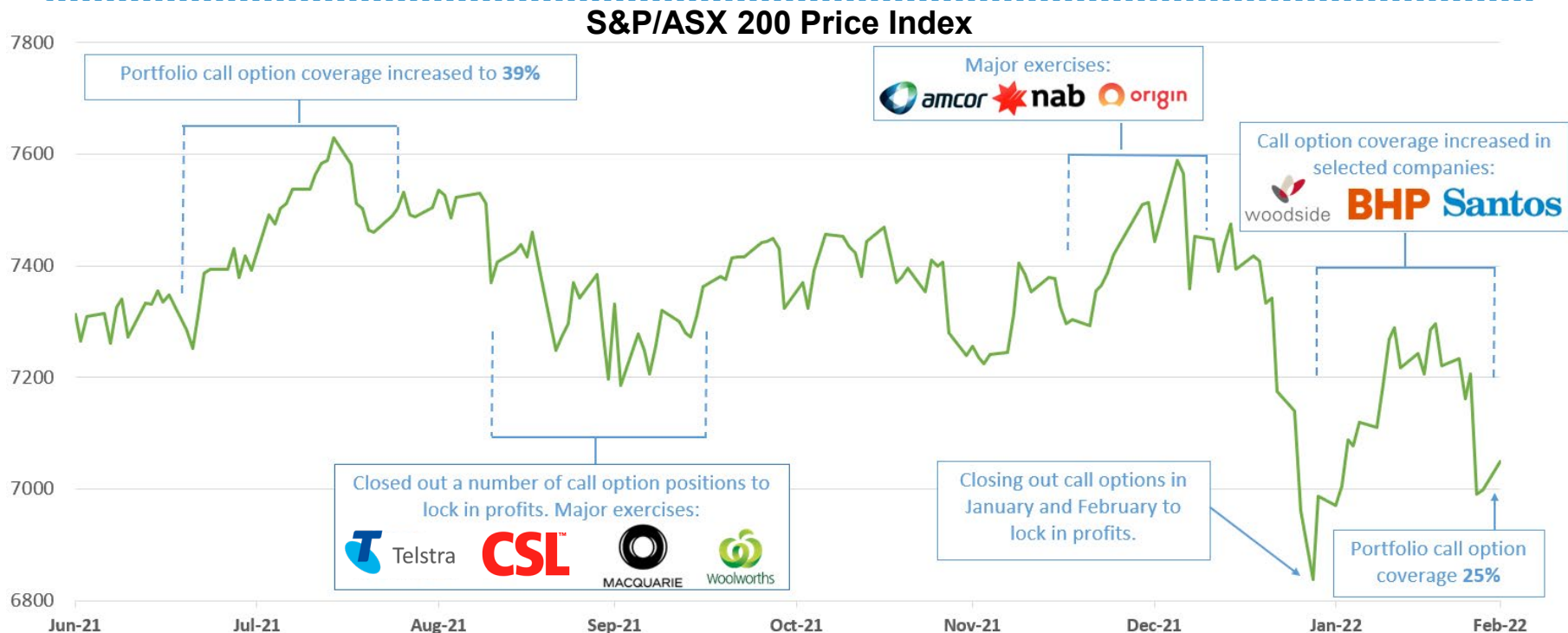
Coles - Dividends (\$ per share)



Source: Company Reports, Factset, Djerriwarrh estimates. Note that the Financial Year periods refer to the Dividend 'Ex Date' and therefore line up with Djerriwarrh's Financial Year reporting.

Active management of the options portfolio has seen us lock in a good amount of income

We closed out a number of our **call options** before expiry dates. Higher market volatility has also positively impacted the option premiums we received from new positions.



Recent market sell-off presented attractive buying opportunities

This calendar year's market sell-off has led to the share prices of a number of high quality companies returning to attractive valuations. We used this as an opportunity to **invest \$78m across our most preferred companies** in different sectors.

\$24m was invested in **STALWARTS**



\$20m was invested in **GROWTH**



\$12m was invested in **REAL ASSETS**



\$22m was invested in **CYCLICALS**



Our portfolio is well positioned for the future

Constructing a diversified portfolio of **high quality** companies across different sectors and with the appropriate balance of **Income and Growth** is the key for Djerriwarrh to deliver on its Investment Objectives in a variety of market conditions.

Key Portfolio Statistics

\$839m

Portfolio Value

54

stocks in the portfolio

25%

call option exposure

2%

put option exposure

\$3.17

Net Tangible Asset (NTA) Backing per share

Top 20 Holdings

BHP **Westpac** **CSL**

Transurban



Commonwealth Bank



Woolworths



Wesfarmers

coles



MACQUARIE



Equity Trustees

ASX



TELSTRA

MAINFREIGHT



JamesHardie

carsales

nab

JB HI-FI

mirvac



Auckland Airport

iag

Source: Based on February 2022 Portfolio

A close-up photograph of a person's hand holding a white smartphone over a black payment terminal. The terminal is being held by another hand, which has a silver ring on the ring finger. The background is blurred, showing what appears to be a retail or service counter. A white rectangular box is overlaid on the left side of the image, containing the text 'Summary and Outlook'.

Summary and Outlook

Summary and Outlook

Markets and Economies

- Domestic and global inflation has moved significantly higher, and we expect cost pressures to continue for some time. In this environment we want to own companies that have pricing power and/or are low cost operators in their industries.
- Bond yields have moved up in response to higher inflation, and this could continue. But we believe that this is already somewhat factored in to share prices.

Dividends and Option Income

- Our outlook for company dividends for the next 6-12 months is largely positive. Beyond this, the iron ore price will be a major determinant of profits and dividends produced by BHP and Rio Tinto from Financial Year 2023 onwards.
- Our recent buying activity sets up the portfolio well in terms of its ability to earn increased dividend income over the long term.
- Our recent option activity has seen us lock in a good amount of option income for Financial Year 2022, as well as preserving our exposure to potential future capital growth.

We continue to believe that owning a diversified portfolio of high quality companies can produce an attractive level of income and capital growth over the long term. As such we believe that the current portfolio settings should enable Djerriwarrh to achieve its long term objectives.



Djerriwarrh

AUSTRALIAN EQUITIES, ENHANCED YIELD