

13 October 2022

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**Djerriwarrh Investments Limited
2022 Annual General Meeting Presentation**

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully



Matthew Rowe
Company Secretary

Authorised for release by the Company Secretary

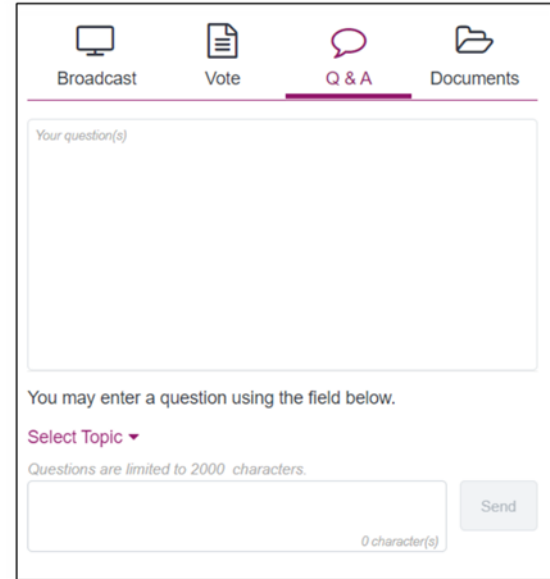


Annual General Meeting 2022



How to ask a question

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question follow the instructions below the broadcast window.



The screenshot displays a user interface for asking questions. At the top, there are four navigation icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a red underline), and a folder for 'Documents'. Below these icons is a large text input area labeled 'Your question(s)'. Underneath this area, a message states 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu. A note below the dropdown reads 'Questions are limited to 2000 characters.' At the bottom, there is a smaller text input field with a character count '0 character(s)' and a 'Send' button.

How to vote

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed

The screenshot displays a web interface for a virtual meeting. At the top, there is a navigation bar with four icons: a monitor for 'Broadcast', a document with a red '1' for 'Vote' (which is the active tab), a speech bubble for 'Q & A', and a folder for 'Documents'. Below this is a grey header for 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director'. Underneath, there are three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The 'FOR' button is highlighted in purple. Below the buttons, the second item is '2B Re-elect Ms Jane Citizen as a Director'. At the bottom, a green checkmark icon is shown above the text: 'We have received your vote For' and a link 'Click here to change your vote.'.

Board Members

Significant experience as directors, executives and investors in ASX listed companies



John Paterson
Chairman and Independent
Non-Executive Director



Graham B Goldsmith AO
Deputy Chairman and
Independent Non-Executive
Director



Kathryn J Fagg AO
Independent Non-Executive
Director



Mark Freeman
Managing Director



Alice J M Williams
Independent Non-Executive
Director



Bruce R Brook
Independent Non-Executive
Director



Geoffrey Roberts
Independent Non-Executive
Director



Karen J Wood
Independent Non-Executive
Director



Annual General Meeting – Presentation 2022



Disclaimer

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

Agenda

Overview and Objectives	Mark Freeman
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Financial Year in Summary	Andrew Porter
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Portfolio Update	Brett McNeill and Nicky Sun
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Outlook	Brett McNeill
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The background features a complex pattern of overlapping, semi-transparent lines in shades of blue and green, creating a sense of depth and movement. A solid white horizontal band runs across the middle of the image, serving as a backdrop for the title text.

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 a 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

Significant experience researching and analysing ASX listed companies, as well as managing investment portfolios



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
Investment Analyst



Jeremy Moore
Dealer

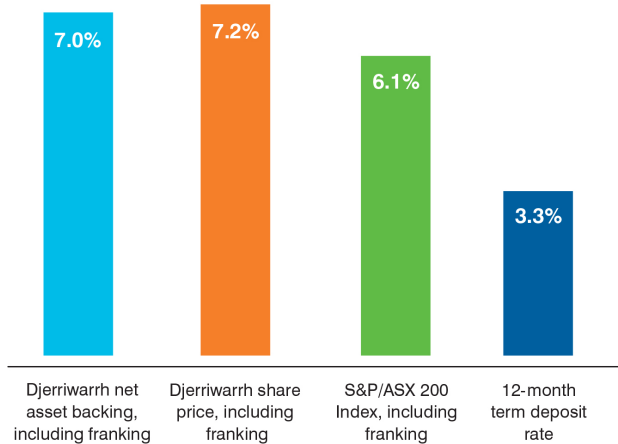


Jaye Guy
Investment Analyst

Investment Objectives

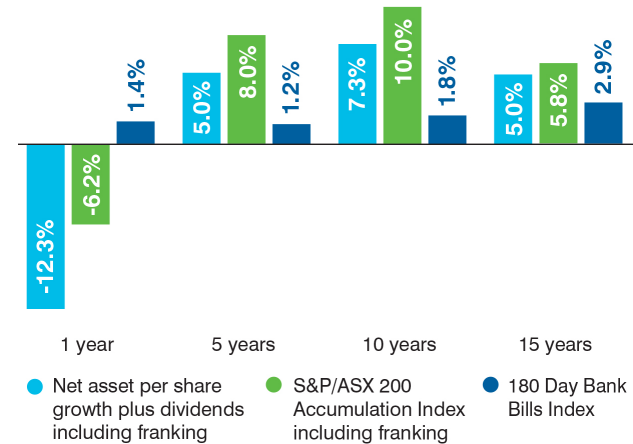
- Djerriwarrh primarily seeks to provide an enhanced level of fully franked income, that is higher than what is available from the S&P/ASX 200 Index and which is delivered at a low cost to shareholders.
- Djerriwarrh also aims to provide shareholders with attractive investment returns through access to fully franked dividends and growth in capital invested.

Yield vs Benchmark – at 30 September 2022



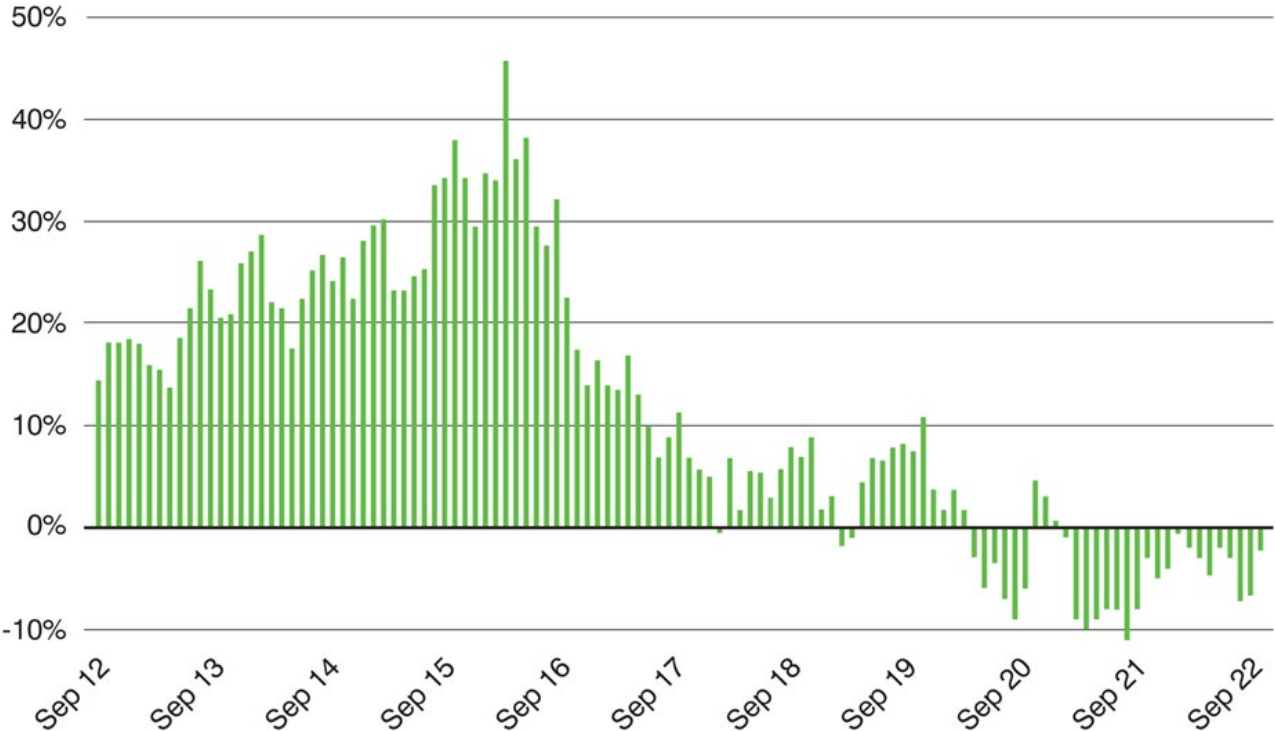
Assumes an investor can take full advantage of the franking credits. S&P/ASX 200 Index is the historic yield and 70 per cent franked. Figures for Djerriwarrh are based on the interim dividend and final dividend declared – in total 13.75 cents per share.

Portfolio Performance to 30 September 2022



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

DJW's Share Price is Trading at a Discount Relative to Net Asset Backing





Financial Year in Summary



Financial Year in Summary

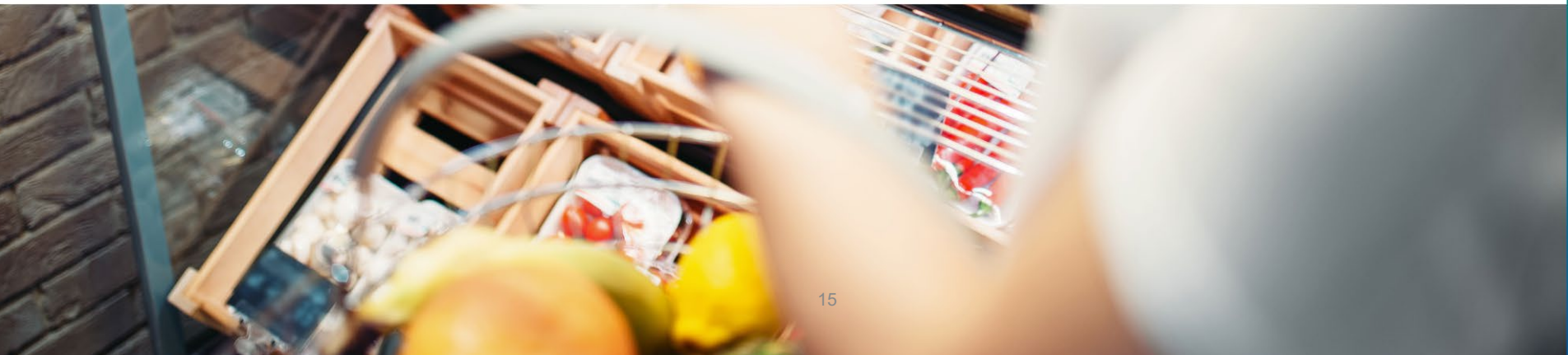
	2022		
Profit for the Year	\$44.5m		Up 45.9% from 2021
Net Operating Result	\$40.4m		Up 29.3% from 2021
Fully Franked Dividend	7.0¢ <small>Final</small>	13.75¢ <small>Total</small>	11 cents total in 2021
Portfolio Dividend Yield	6.7% <small>Including franking*</small>		S&P/ASX 200 Index Yield 5.1% (grossed up for franking credits)

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

	2022		
Management Expense Ratio	0.45%		0.45% in 2021
Total Portfolio Return	-6.5% <small>Including franking*</small>		S&P/ASX 200 Accumulation Index including franking* -5.1%
Total Portfolio	\$783.0m		Including cash at 30 June. \$839.8 million in 2021



Portfolio Update



Djerriwarrh Investment Approach – 2 Key Objectives

1 Enhanced Income

Key Drivers

Option Income

Dividend Income

2 Attractive Investment Returns

Key Drivers

Portfolio Construction

Quality focus

Balance between income and growth

Diversification across stocks and sectors

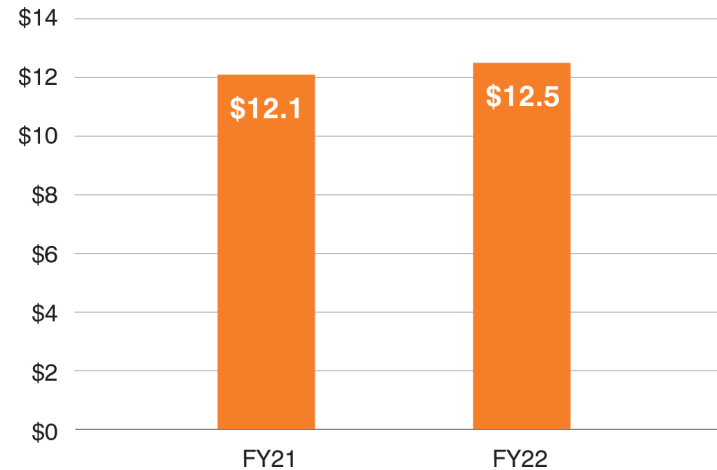
Option Income

Approach: Writing options against our portfolio holdings enables us to generate additional income. This is a key component of Djerriwarrh's enhanced income yield.

Key Factors

- We predominantly write **call options**, with put options used selectively.
- Call option coverage is typically in the range of **30-40%** of the portfolio.
- Option positions are the result of **market conditions** and our **bottom-up stock analysis**.
- **Daily active management** of the option portfolio is crucial.

The Option Income (\$m) results of the last two years are consistent with our objectives



Option Income

Active management of the option portfolio has again proved crucial given the volatile market conditions of the last 12 months.



Source: ASX 200 data from Factset

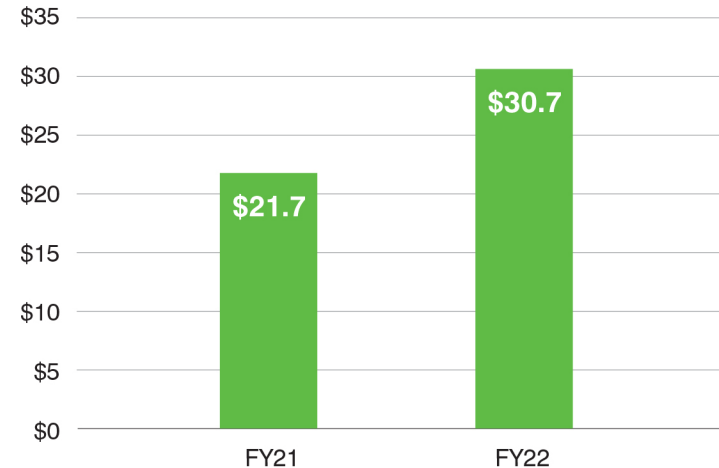
Dividend Income

Approach: Constructing a portfolio of companies with the right mix of income and growth enables us to generate a level of dividend income that can deliver an **enhanced income yield** as well as growth in **fully franked dividends**.

Key Factors

- Our stock selection process focuses on owning **high quality companies** for the long term:
 - ✓ Competitive Advantage
 - ✓ Aligned Management
 - ✓ Strong Balance Sheet
- The portfolio needs to be **well diversified** across stocks and sectors.
- There needs to be a balance between short term **income yield** and long term **growth**.

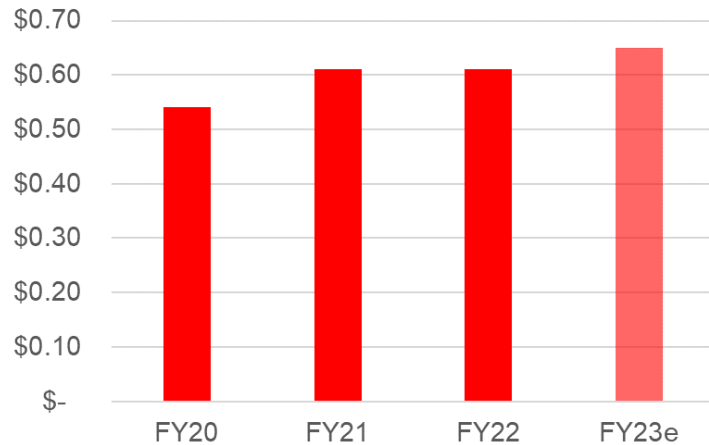
The Dividend Income (\$m) results of the last two years are consistent with our objectives



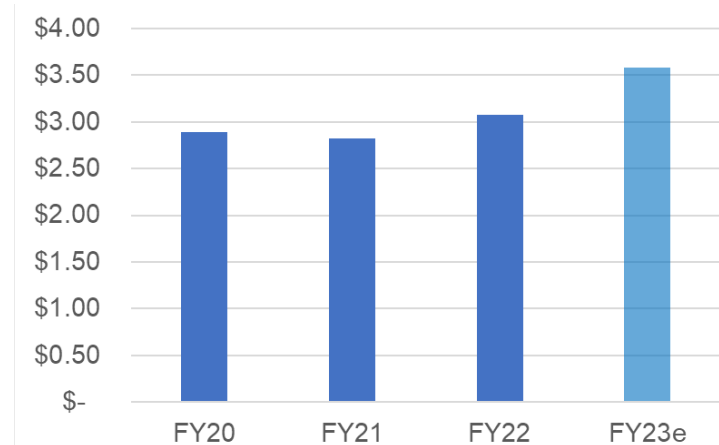
Dividend Income

The recent profit reporting season met our overall expectations for dividends. This included consumer facing companies such as Coles, and structural growth stories including leading healthcare company CSL.

coles Dividend Per Share



CSL Dividend Per Share

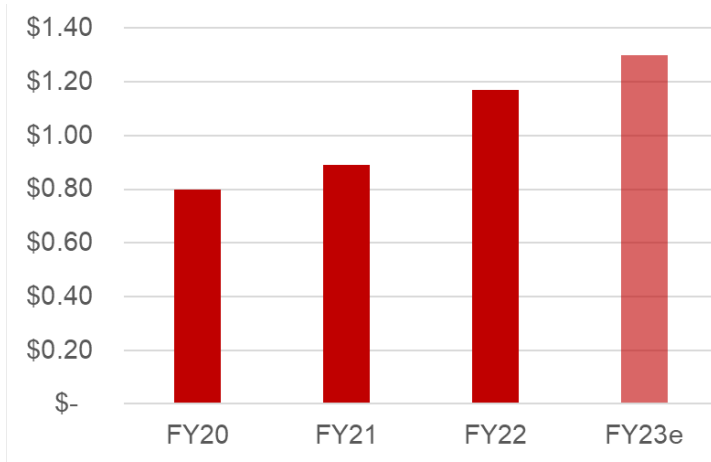


Source: Company Reports, Factset, Djerriwarrh estimates. Note that the Financial Year periods refer to the Dividend 'Payment Date' and therefore line up with Djerriwarrh's Financial Year reporting. FY23 Dividend estimates are a combination of Factset consensus estimates and any dividends declared to date depending on company reporting dates.

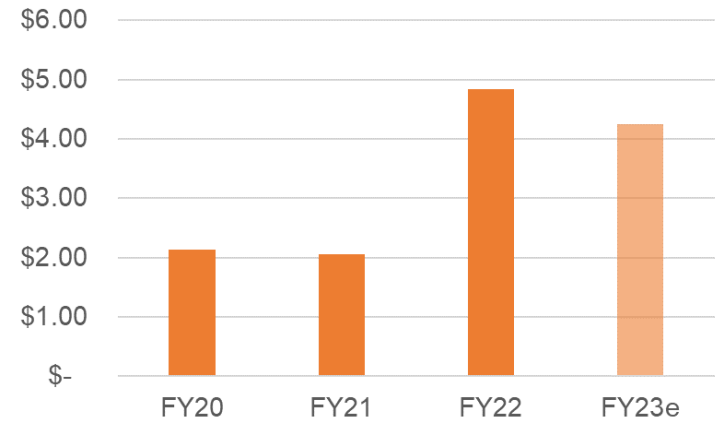
Dividend Income

The major banks such as Westpac are well positioned to continue their dividend recovery. While we don't expect BHP's profits and dividends to remain at recent levels for the long term, the near term yield and long term value remain attractive.

Westpac Dividend Per Share



BHP Dividend Per Share



Source: Company Reports, Factset, Djerriwarrh estimates. Note that the Financial Year periods refer to the Dividend 'Payment Date' and therefore line up with Djerriwarrh's Financial Year reporting. FY23 Dividend estimates are a combination of Factset consensus estimates and any dividends declared to date depending on company reporting dates.

Portfolio Construction: Overview

Approach: 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

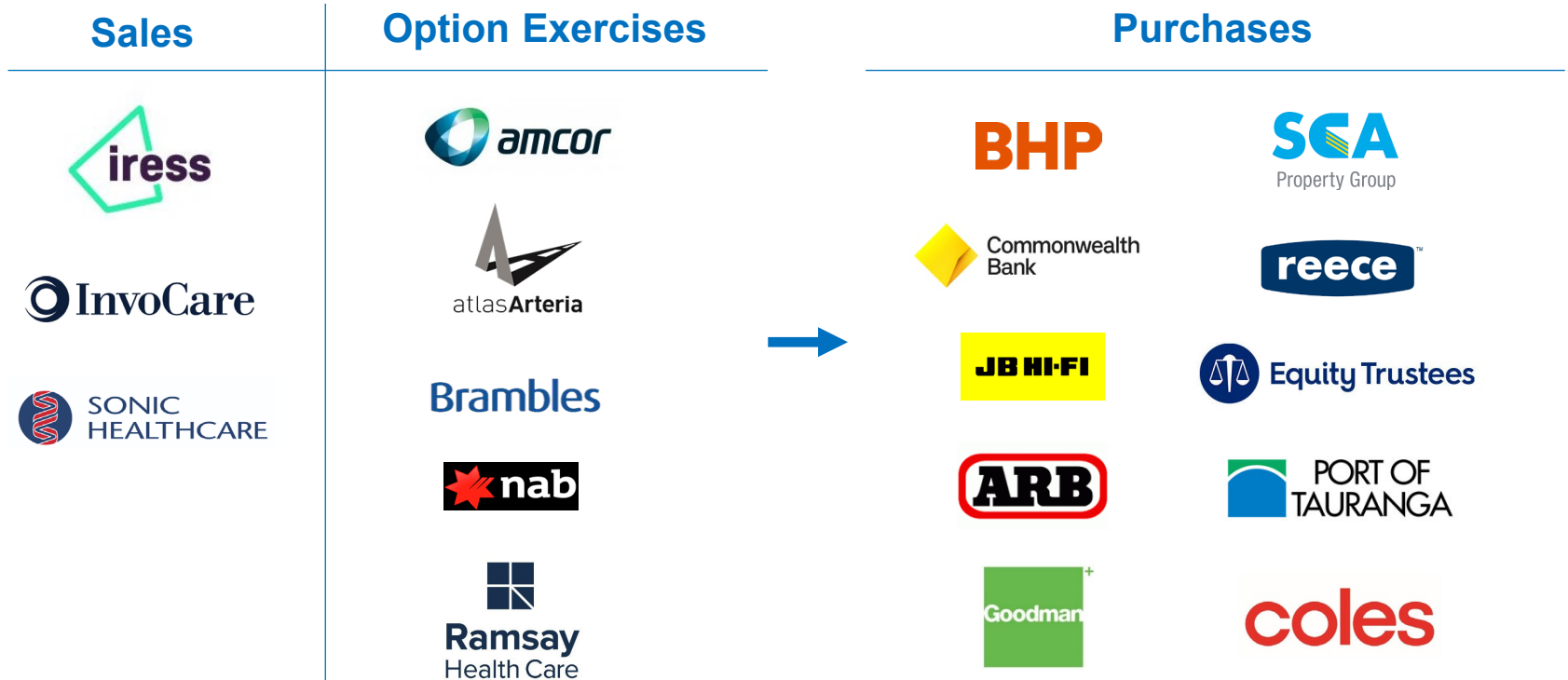
\$812m	49
Portfolio Value	Stocks in the Portfolio
29%	2%
Call Option Coverage	Put Option Coverage
\$2.81	
Net Tangible Asset (NTA) Backing Per Share	

Top 20 Holdings



Source: Based on 30 September 2022 Portfolio. Top 20 Holdings based on Market Value.

Portfolio Construction: Recent Changes



Portfolio Construction: Growth



Market Cap: \$9.1b
Forecast Dividend Yield = 1.8%

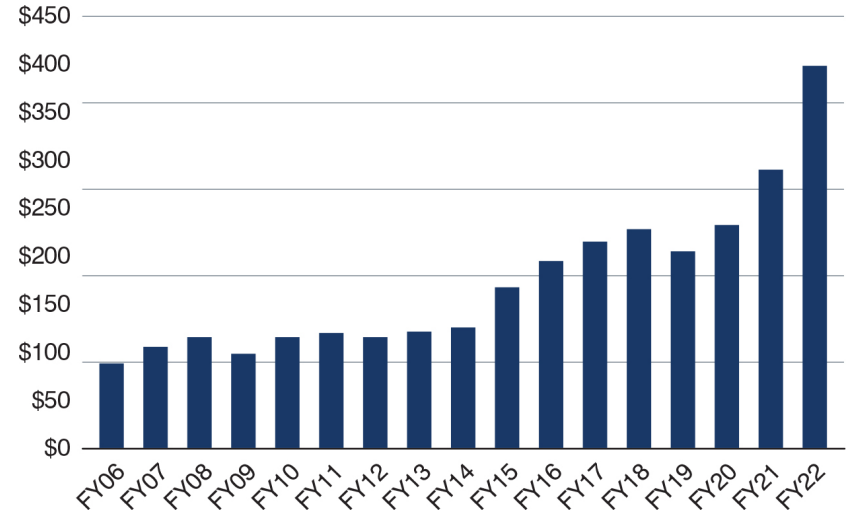
Australia's dominant plumbing trade and bathroom business.

Disciplined and patient expansion into the US market which is a huge **long term growth** opportunity.

Excellent long term financial performance.

Aligned management and a **strong balance sheet**.

Reece – Net Profit After Tax (\$m)



Source: Company Reports, Factset.

Portfolio Construction: Income



Market Cap: \$2.6b
Forecast Dividend Yield = 6.4%

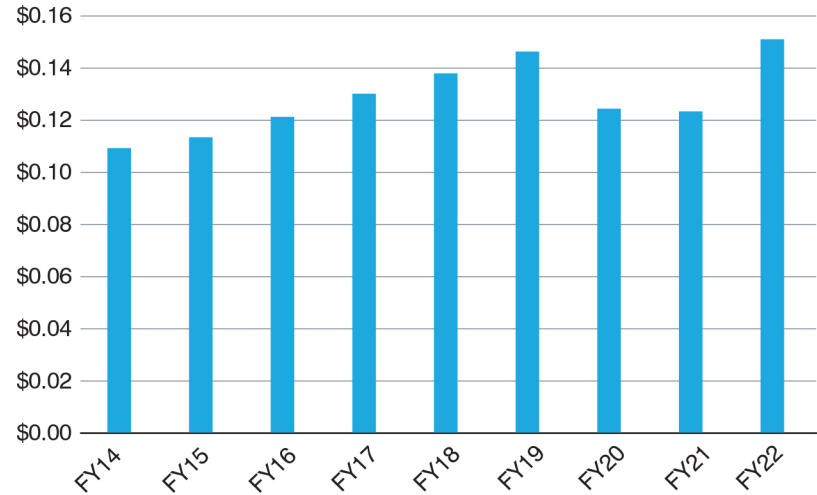
A high-quality property trust that owns grocery anchored neighbourhood shopping centres across Australia.

Earnings should be **resilient** given the long term lease structures and exposure to major tenants such as Woolworths and Coles.

Management have delivered impressive results since the portfolio was demerged from Woolworths in 2013.

Strong balance sheet and a very attractive **dividend yield**.

SCA Property – Dividends per share



Source: Company Reports, Factset.

Portfolio Construction: Environment, Social and Governance (ESG)

ESG factors are an important part of the assessment of our companies. We consider a range of ESG elements for our investments, with particular focus on the issues that are most material.

Our approach to ESG

Regularly reviewing companies to ensure alignment with our investment framework.

Engaging with companies by:

- Meeting with management and the board on material ESG issues
- Voting on all resolutions



We prefer to remain invested in companies to **influence positive outcomes**.

Gas companies will play a part in the decarbonisation of the world*.

We manage our position and enhance our income through **writing call options** against these holdings.

Holding Santos and Woodside



Woolworths has reduced their gambling exposure through divesting Endeavour Group.

Endeavour Group is exposed to risks that we believe may affect the **long term sustainability** of earnings.

We managed our position to earn dividend and option income before exiting.

Sold Endeavour Group

* According to the International Energy Agency (IEA)



Outlook



Outlook

Key topics:

- Inflation
- Interest rates
- Equity market volatility
- Geopolitical events

Our key areas of focus:

- Option income
- Dividend income

Against this backdrop we remain confident in the **quality** and **diversification** of our investment portfolio.

Irrespective of any short-term factors, we believe that the current portfolio settings should enable Djerriwarrh to achieve its long-term objectives.