

13 March 2024

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

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

**Electronic Lodgement**

**Djerriwarrh Investments Limited  
Information Meetings – Presentation**

Dear Sir / Madam

Please find attached the presentation to be given at the Information Meetings being held in March 2024.

Yours faithfully



Matthew Rowe  
Company Secretary

ASX Release authorised by the Company Secretary.



# Shareholders' Briefing March 2024



# Agenda

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Overview of the LIC's and Investment Process

Mark Freeman

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Portfolio Updates:

Djerriwarrh

Brett McNeill

Mirrabooka

Kieran Kennedy

AMCIL

Mark Freeman

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Outlook

Mark Freeman

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# Disclaimer

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## Overview of our LICs and Investment Process



# Investment Objectives



- To provide an enhanced level of fully franked income that is higher than that available from the S&P/ASX 200 utilising option strategies.
- Attractive total return including capital growth over the medium to long term.



- Specialising in investing in small and medium sized companies in Australia and New Zealand
- Medium to long term capital growth with the generation of fully franked dividends.



- Attractive returns through strong capital growth in the portfolio over the medium to long term
- The generation of fully franked dividends.

# Investment Approach

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## Attributes of a high-quality company that we seek:

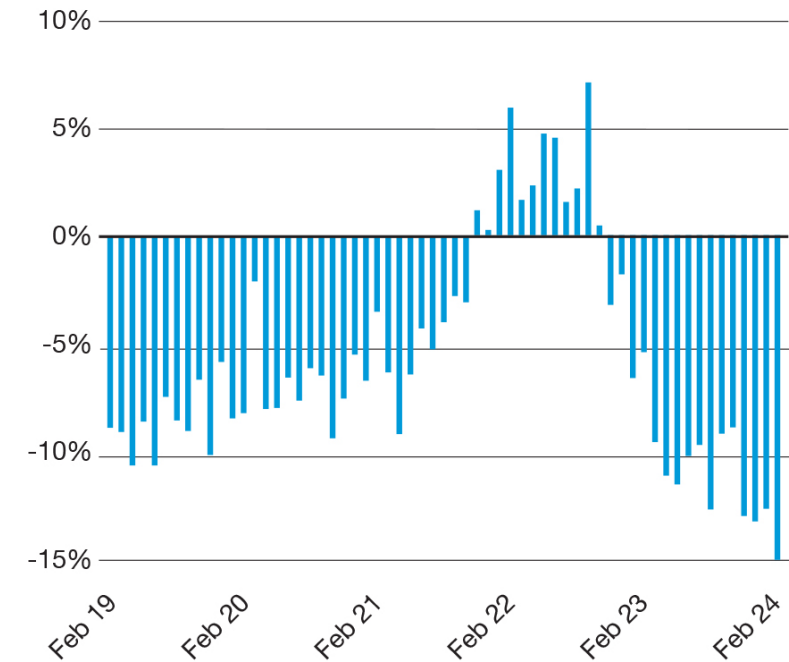
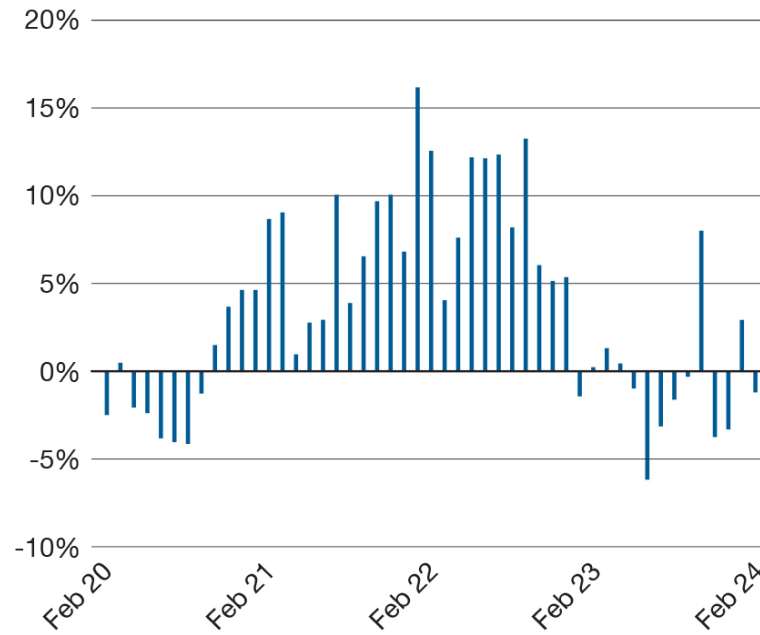
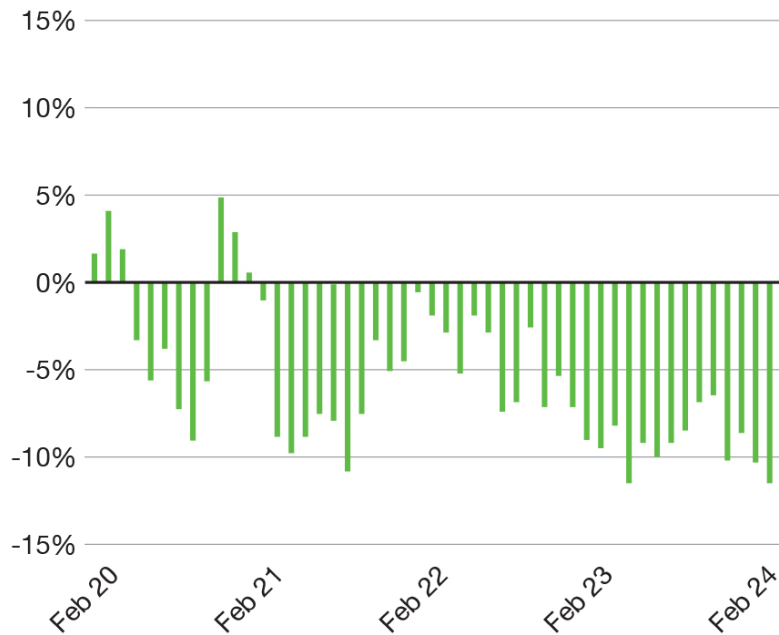
- Industry leadership position (or developing one)
- Unique assets that are hard to replicate
- Conservative balance sheets (low debt)
- Not unduly burdened by external risk factors
- Consistency of earnings
- Run by effective, passionate management with ownership alignment
- Have opportunities for growth

## Why this matters:

- The presence of these factors drives a competitive advantage
- Which leads to high return on capital
- And allows for reinvestment opportunities to drive growth
- Which allows for market share capture – and further enhancement of leadership position
- Which combines to deliver long term shareholder value creation, which includes dividends

We seek to buy these companies when we identify long term value

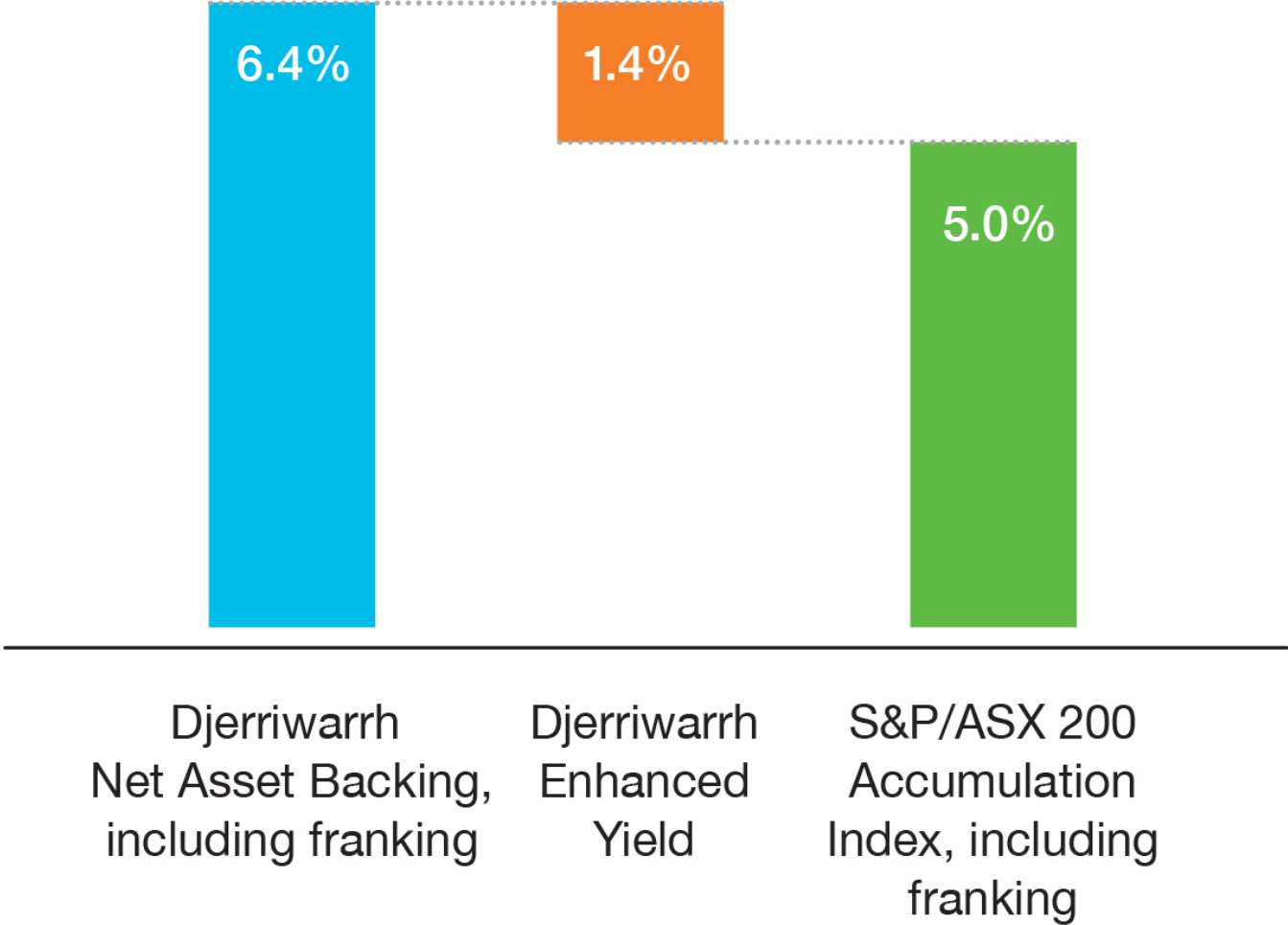
# A current feature of the market is that the share prices of many LICs are trading at a discount relative to Net Asset Backing – 29 February 2024





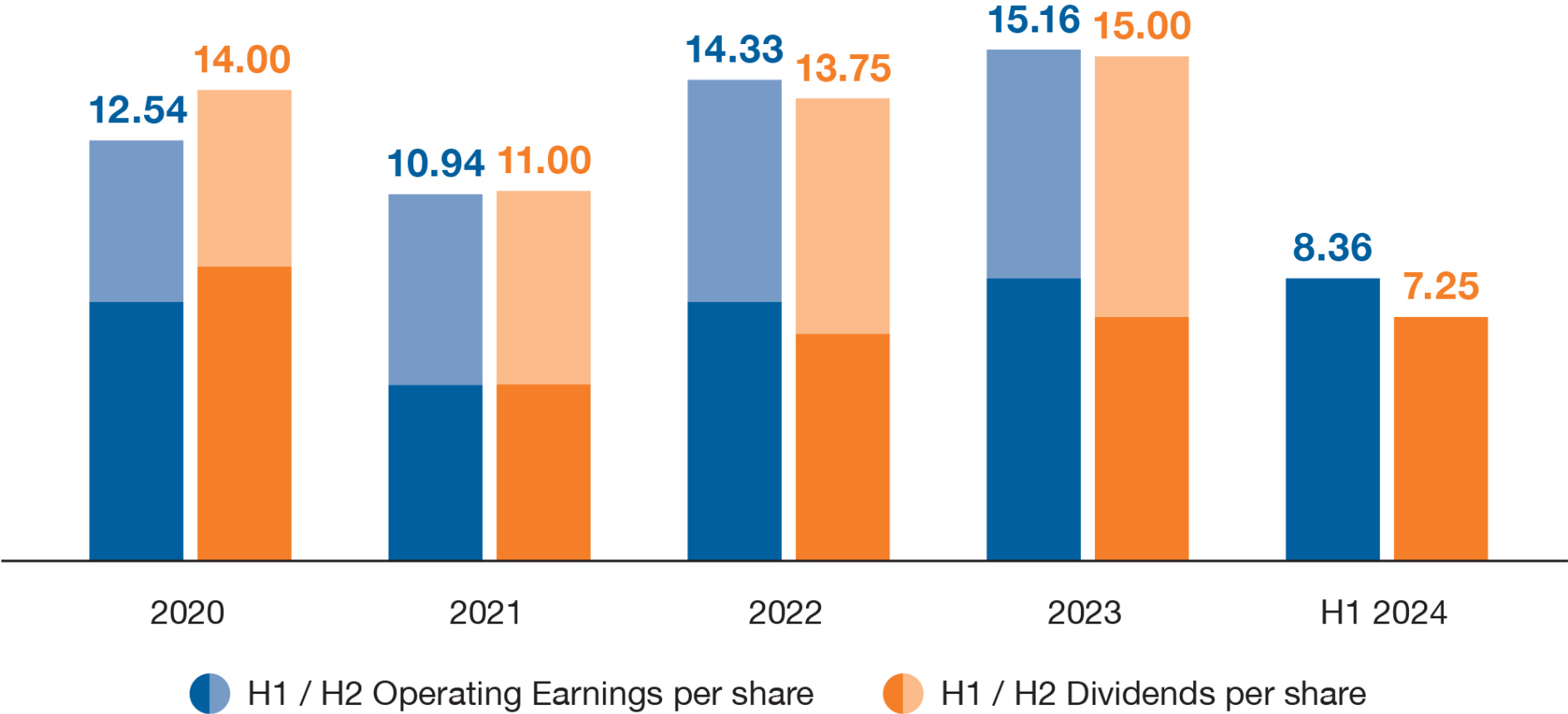


# Djerriwarrh: Enhanced Yield

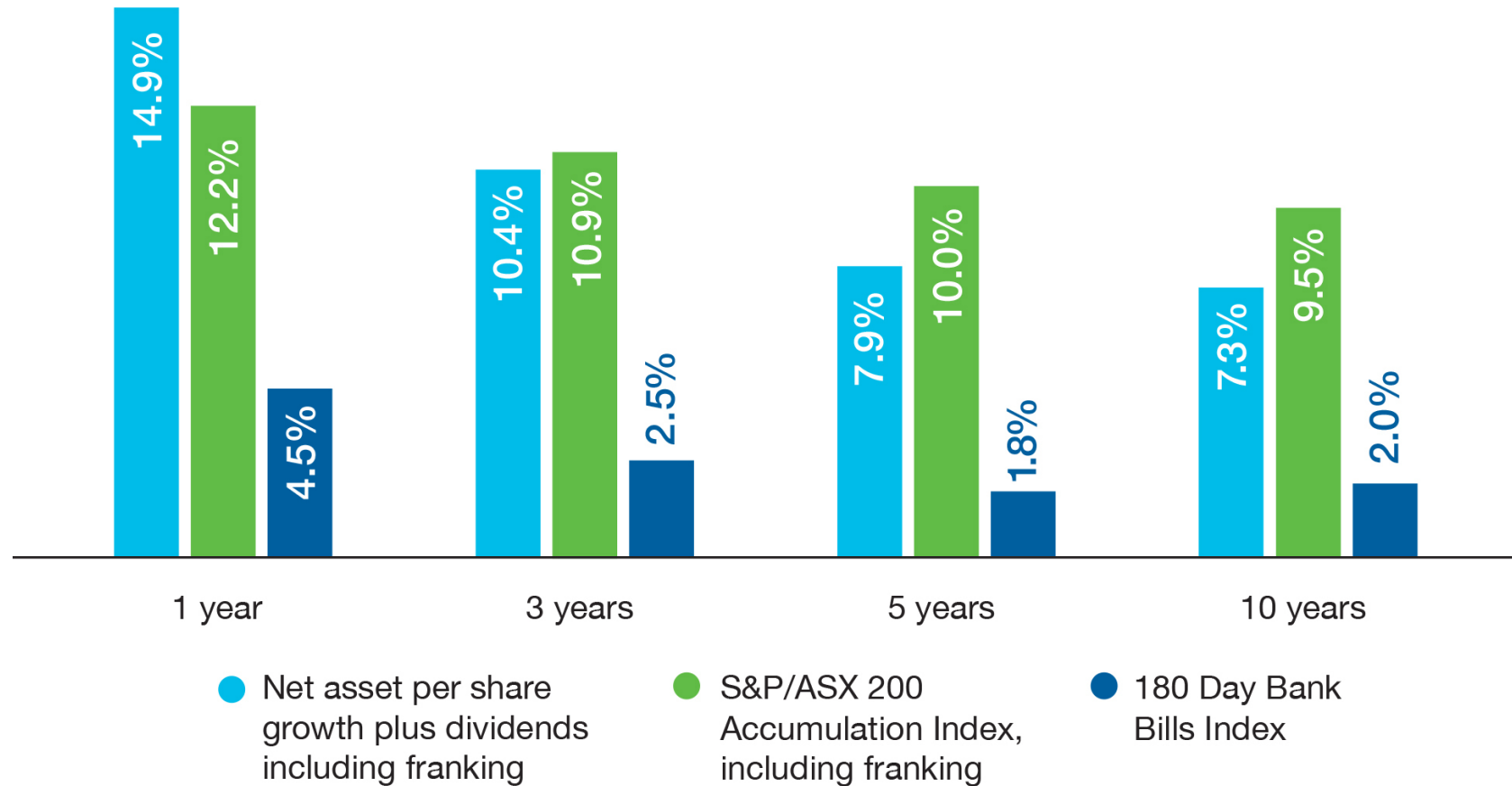


At 29 February 2024. Assumes an investor can take full advantage of the franking credits. Yield based on the interim dividend and final dividend paid – in total 15 cents per share.

# Djerriwarrh: Earnings and Dividends



# Djerriwarrh: Portfolio Performance to 29 February 2024

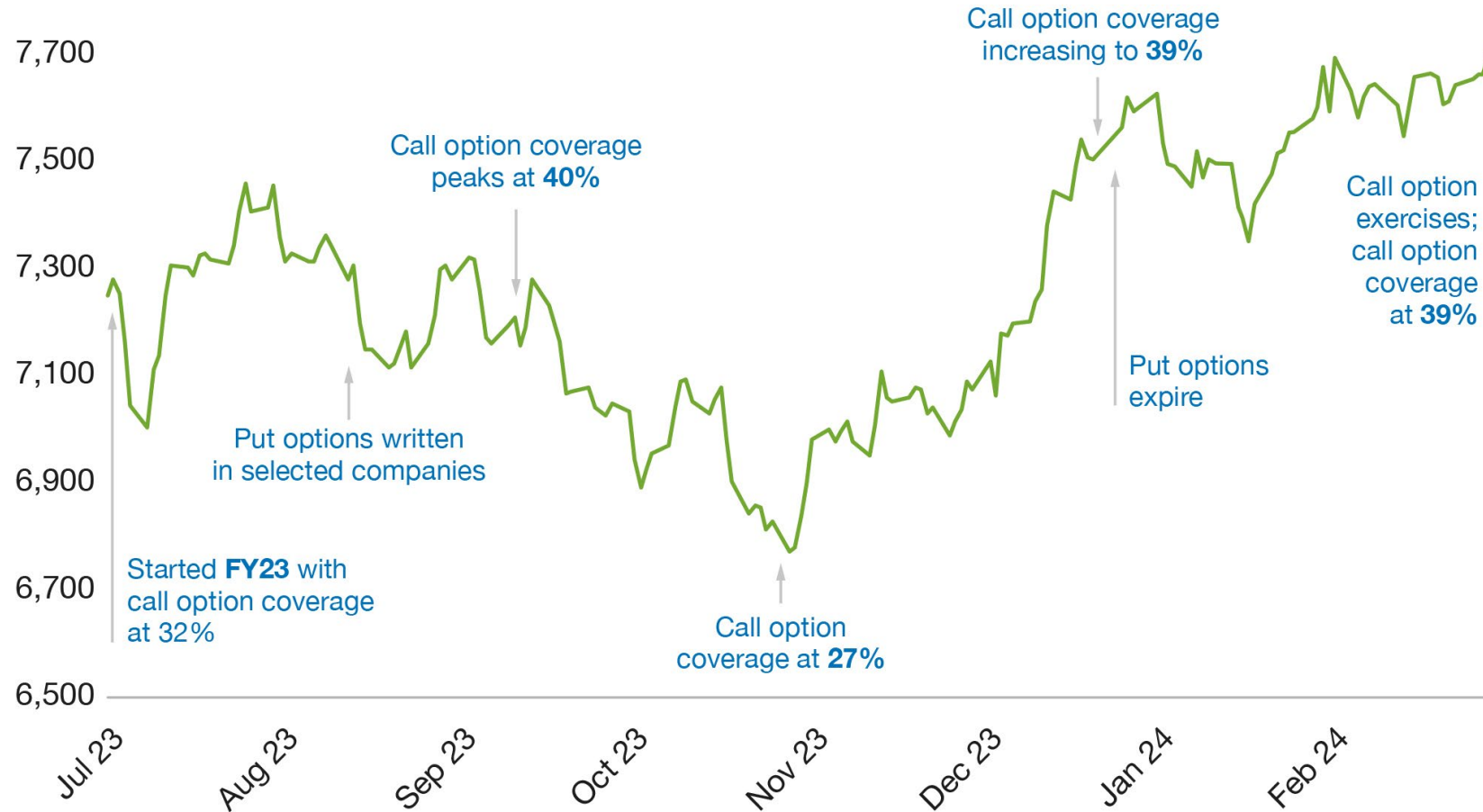


\* Assumes an investor can take full advantage of the franking credits. DJW's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.

# Djerriwarrh: Market Conditions and Option Activity

## S&P/ASX 200 Price Index



Source: ASX200 data from FactSet

Shareholder Meeting / March 2024

# Djerriwarrh: Portfolio Update

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

<b>\$936m</b>	<b>47</b>
Portfolio Value*	Stocks in the Portfolio
<b>39%</b>	<b>0%</b>
Call Option Exposure	Put Option Exposure
<b>\$3.33</b>	
Net Tangible Asset (NTA) Backing Per Share	

Source: Based on 29 February 2024 Portfolio.

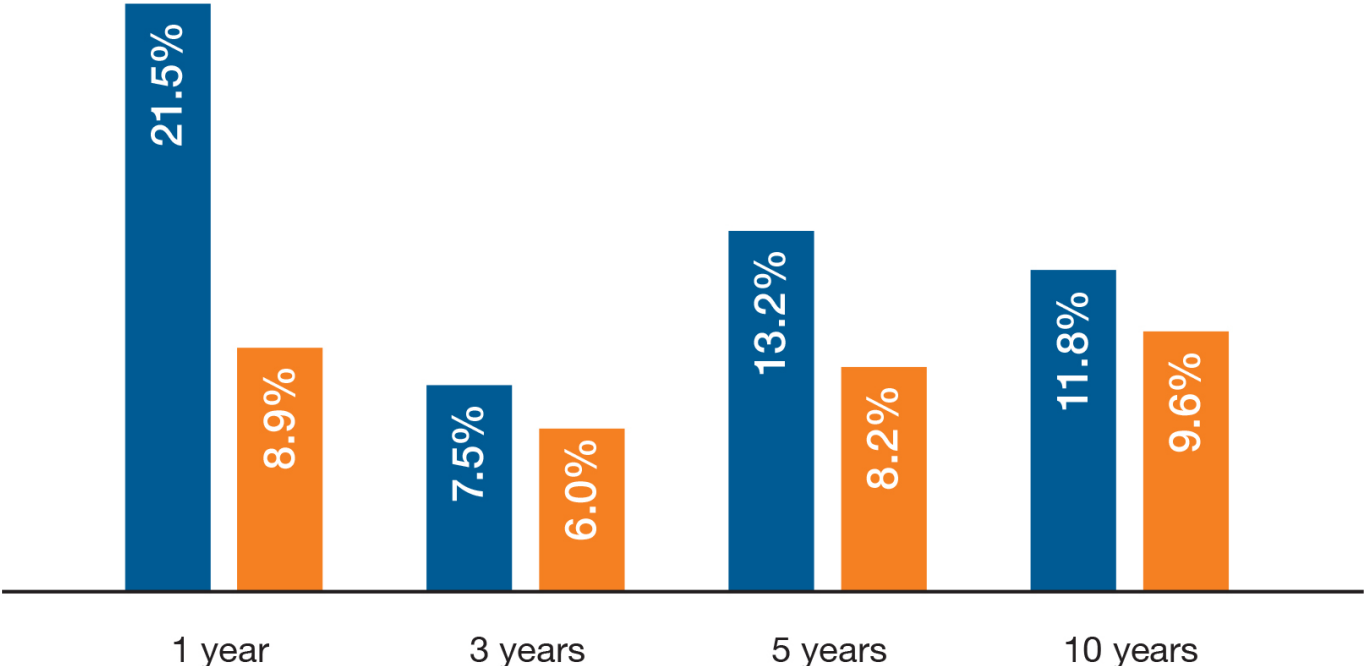
\* Portfolio Value is based on the Investment Portfolio plus the Trading Portfolio, not including the Options Portfolio.

## Top 20 Holdings





# Portfolio Performance – Per Annum Returns to 29 February 2024



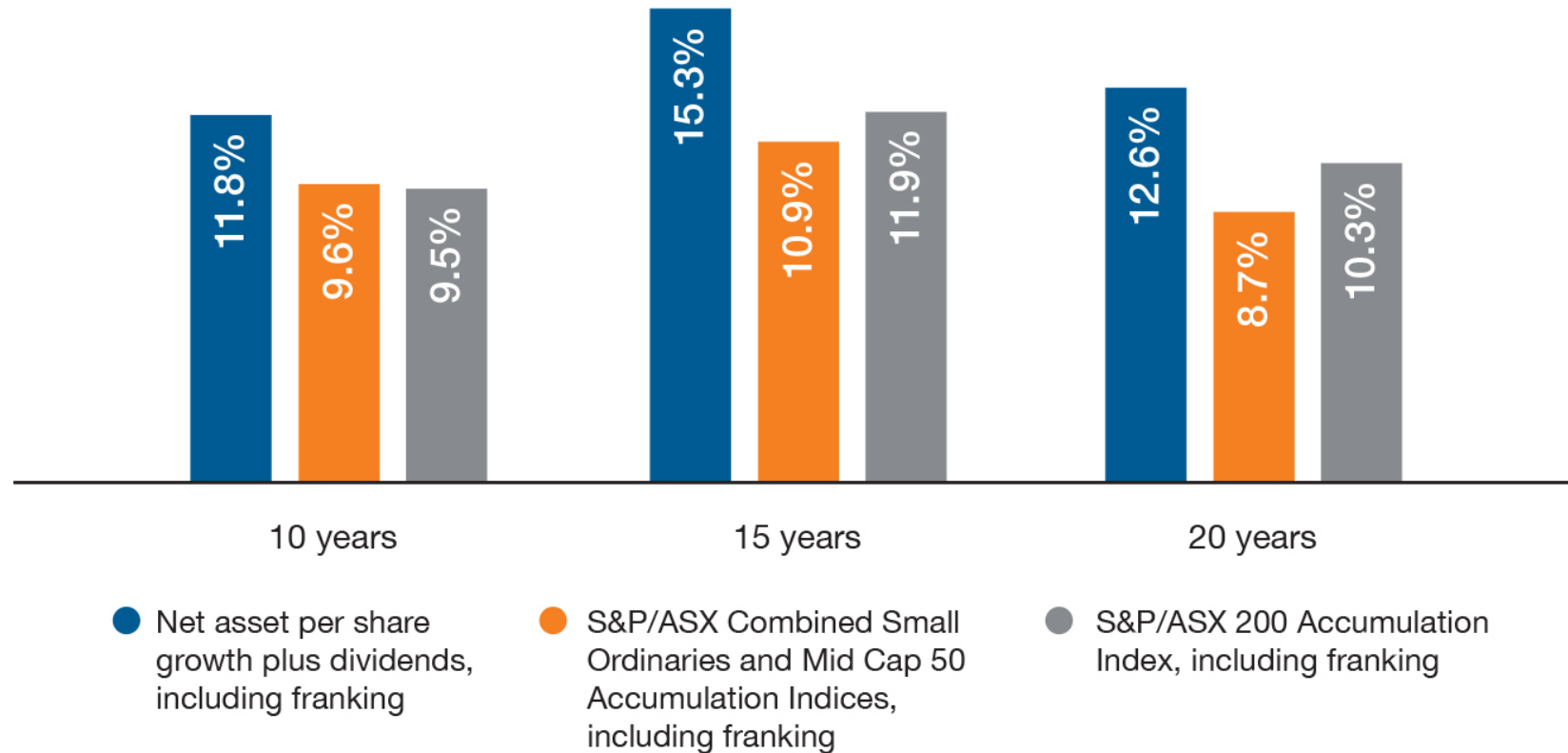
- Net asset per share growth plus dividends, including franking
- S&P/ASX Mid Cap 50 and Small Ordinaries Accumulation Indices, including franking

\* Assumes an investor can take full advantage of the franking credits. Mirrabooka's portfolio return is also calculate after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.



# Portfolio performance – a longer term perspective (per annum returns to 29 February 2024)















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

# Factors contributing to 2024 outperformance: Strong rebound in core holdings

Jan 2022 – Dec 2022

Jan 2023 – Feb 2024

-52%	 JamesHardie™	+130%
-57%	TEMPLE & WEBSTER	+176%
-50%	 ARB	+61%
-15%	 Audinate	+210%
-55%	 CHRYSOS CORPORATION	+136%
-47%	 reece	+90%
-41%	 Breville™	+49%
-13%	 CAR Group	+78%
-15%	 eagers automotive	+36%
-33%	 REA Group™	+75%
-32%	 netwealth	+58%
-44%	 Pinnacle	+29%
-36%	 seek	+25%

**-38%**

Jan 2022 – Dec  
2022 Average  
Return

**89%**

Jan 2023 – Feb  
2024 Average  
Return

# Portfolio Outlook – How we are currently investing

- Valuation of the highest quality, highest growth companies is looking stretched again.
- We've continued to seek the best relative long-term value in companies that meet our quality threshold.





















We have recently found these in new portfolio opportunities:

<p><b>Resources companies with strong growth prospects</b></p>  	<p><b>Value in the real estate sector</b></p> 	<p><b>New additions with growing market positions.</b></p>   
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- Our most significant sales have come from the exit of Santos and Medibank and responding to over valuation in some of our larger holdings.

<p><b>Exited</b></p>  	<p><b>Trimmed</b></p>       
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# Mirrabooka Top 20 Holdings – 29 February 2024

	Company	% of Portfolio	Ownership Period		Company	% of Portfolio	Ownership Period	
1	 macquarie TECHNOLOGY GROUP	5.7%	6.5 yrs		11*	 ResMed	2.4%	12.5 yrs
2*	 ARB	4.0%	13 yrs		12	 ALS	2.3%	17.5 yrs
3*	 TEMPLE & WEBSTER	3.7%	4 yrs		13*	 netwealth	2.3%	6 yrs
4*	 carsales	3.7%	7 yrs		14*	 REA Group	2.0%	3.5 yrs
5	 MAINFREIGHT	3.5%	8 yrs		15*	 Fisher & Paykel HEALTHCARE	2.0%	9.5 yrs
6	 Gentrack	3.1%	1.5 yr		16*	 reece	1.9%	17 yrs
7	 idp	2.8%	3 yrs		17	 Objective	1.9%	9.5 yrs
8*	 Breville	2.7%	6 yrs		18*	 HUB <sup>24</sup>	1.9%	8.5 yrs
9	 Equity Trustees	2.5%	18 yrs		19*	 James Hardie	1.9%	5 yrs
10	 ipd group	2.5%	2 yrs		20	 EVT	1.9%	13.5 yrs

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

Note: IDP Education, REA Group and James Hardie have been held previously by Mirrabooka.

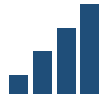
AMCIL

# The Key Unique Benefits of an Investment in AMCIL

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The key **unique benefits** of AMCIL are the combination of:

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Focused portfolio invested in quality companies where holding size is not determined by the index weighting (mix of large, medium and small companies)

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Alignment of interests

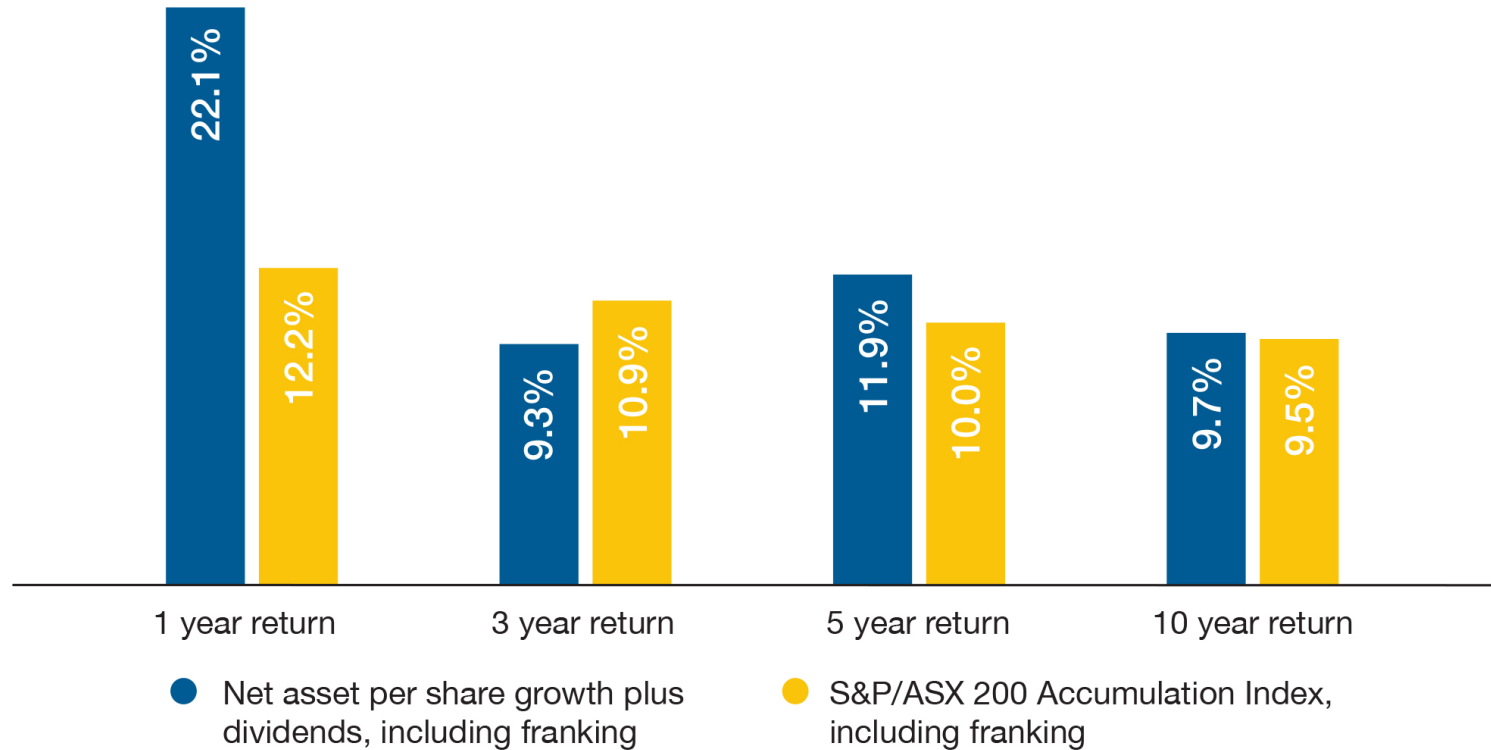
- ✓ Comparatively low management cost
  - ✓ No additional fees
  - ✓ Equity ownership by directors and staff
- 



Tax effectiveness from a low turnover, long term investment approach

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# Portfolio Performance – Per Annum Returns to 29 February 2024\*



\* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

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# Major Transactions – Financial Year to Date

## BUYS

### Seeking value in Stalwarts



### Seeking value in Growth stocks



### Building stakes in businesses with owner driver characteristics



## SELLS

### Captured value



### Exited





# Portfolio Well Positioned For The Future

AMCIL's portfolio is well placed to navigate a wide range of economic outcomes:

Growth Companies				Stalwart Companies		Income Companies
						<b>'Asset Play' Companies</b>

The background of the slide is a dark blue, textured surface, possibly a carpet or fabric. It is overlaid with several light trails and rectangular shapes. On the left side, there are diagonal light trails in shades of yellow, orange, and red. On the right side, there are vertical light trails in shades of red and orange. A large, bright blue rectangular shape is visible on the right side, and a smaller, lighter blue rectangular shape is visible on the left side. The overall effect is a dynamic, abstract composition.

# Outlook

# What were the themes of the recent reporting season?



## Revenue

Typically slowed in line with expectations.



## Costs

Greater focus on cost control helped deliver higher than expected earnings growth across a number of companies.



## Key pricing trends

Price rises taken to maintain margins – particularly in insurance, online classifieds, building materials.



## Interest Costs Rising

Borrowing costs still rising as debt hedges roll to higher rates. However, balance sheets in general remain strong.



## Lighter Cashflows

Growing capital expenditure crowding out capital returns.



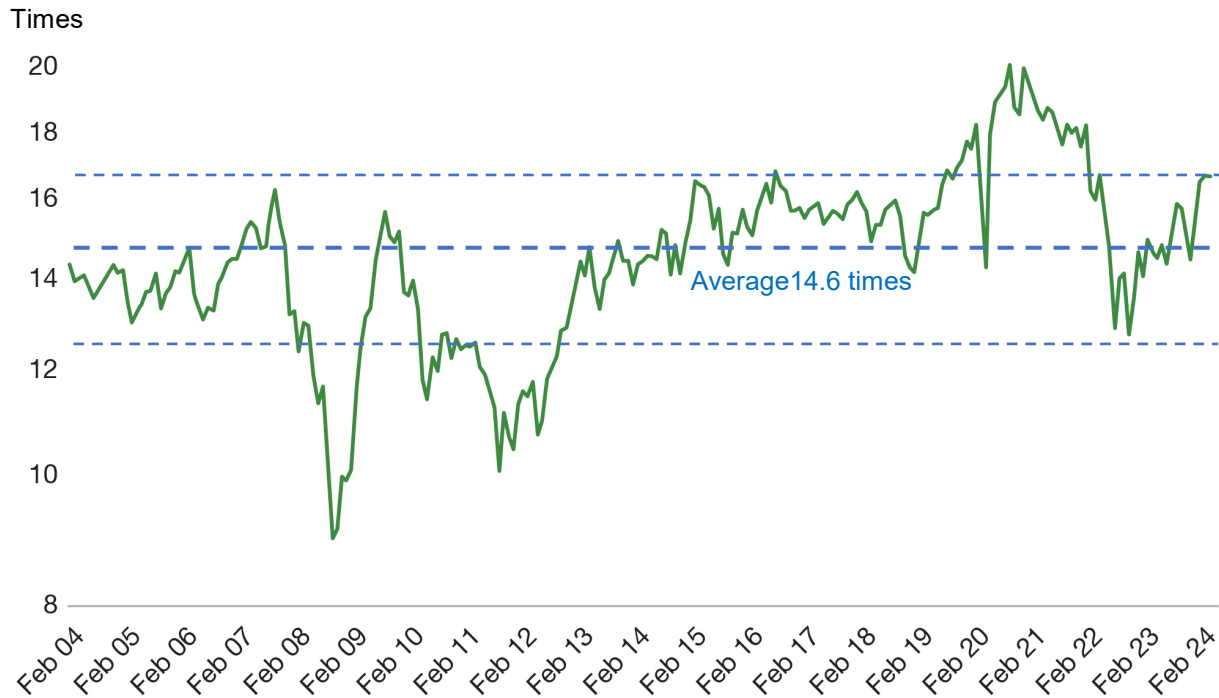
## Changing payout ratios

Dividend payout ratios maintained at sustainable levels, but dividends expected to fall in FY 24.

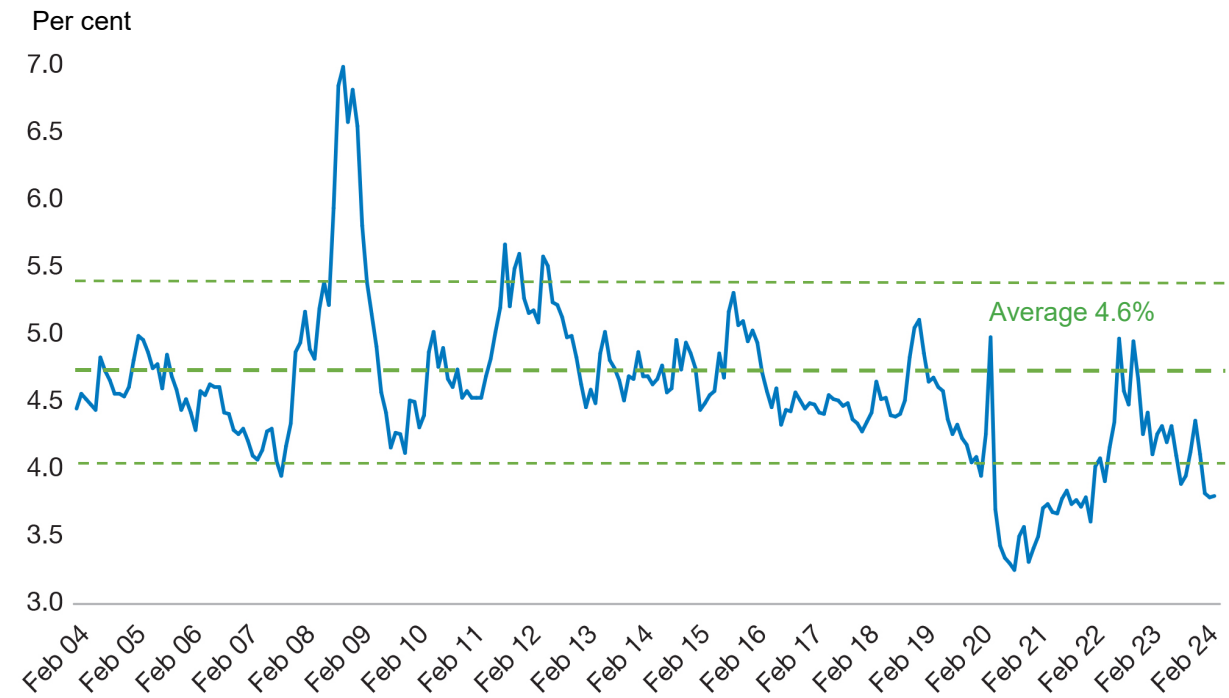
In general quality companies delivered quality results and continue to invest for growth.

# Where the market is currently trading against the long term

## ASX 200 Index Price Earnings Ratio



## ASX 200 Index Dividend Yield



Source: FactSet

# Outlook

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- US and Australian economic data remains healthy.
- The potential for rising bond yields is a risk, improving growth is an offset. However, optimism is supported by the expectation that the next move in cash rates is down.
- Overall results for portfolio holdings were positive.
- Growth companies continued outperforming the market.
- Valuations are now very full for many of these companies.
- We are broadly comfortable with portfolio holdings and consider we have an appropriate mix of diversified attributes to meet our investment objectives for each of the LIC's.
- We continue to look for investments in companies that pass our quality threshold with valuation support.

# Questions

