

**Chairman's Address**  
**Australian and International Holdings Limited ACN 009 706 414**  
**("the Company" / "AIH")**  
(NSX Code: AID)

Brisbane, 20<sup>th</sup> November 2024

The profit after income tax for the financial year ended 30 June 2024 was \$53,147. However, there was an overall comprehensive income of \$247,127 after taking into account (amongst other things) unrealised changes in the value of equity investments at fair value (referred to as "other comprehensive income") for the financial year, which other comprehensive income showed a profit of \$193,980.

These figures are considered positive, albeit reduced from the previous financial year for FYE 30 June 2023 which showed comparable figures for profit after income tax of \$166,027, the comprehensive income of \$256,042 and total comprehensive income of \$422,069.

The Board declared a final dividend of 6.8 cents per share fully franked, which was paid in October 2024. An interim dividend of 6.0 cents per share, fully franked, was paid earlier in April 2024, being an overall increase in dividends from 12.0 cents per share fully franked to 12.8 cents per share fully franked.

The Net Asset Value ("NAV") per share stood at \$3.18 post tax (\$3.45 pre-tax) per share at 30 June 2024. Net assets for the financial year in question increased by a bit more than \$66,000. Having said that, the NAV per share has increased to \$3.24 post tax (or \$3.55 pre-tax) as at 14<sup>th</sup> November 2024 just prior to preparation of this Chairman's address. Earnings per share ("EPS") for FYE 30 June 2024 based on net operating results are 3.02 cents per share which is a decrease from the previous year's EPS of 9.69 cents per share.

There were no additional capital raisings during the year.

Other reflections in respect of the financial year ended 30 June 2024 and some comments as to the period post balance sheet date are as follows:

- The financial year to 30<sup>th</sup> June 2024 saw the share markets in which AIH is ultimately invested (particularly the domestic market), continue to perform positively with overall gains in book value (albeit somewhat restrained from the previous year). This showed in resultant increases in pre-tax net returns to shareholders of 4.08% and a post-tax return of 4.43% for the period.
- These results were achieved even though interest rates continued to be high, and geopolitical tensions continued to cause investors to be wary. The Ukraine-Russia war continued unabated and there were increasing uncertainties with respect to China to worry the markets. As well, there were continued high energy prices having an adverse impact domestically and elsewhere.
- On a look through basis, the Company's investments as at 30<sup>th</sup> June 2024 by geographic area showed approximately 76.4% invested in Australia and New Zealand, 8.4% in the Americas (which is an increase of almost 1% from the previous year) and 15.2% invested globally elsewhere.

- Also on a look through basis, as at 30<sup>th</sup> June 2024, the investment portfolios of BAET, BWET and BSMaRT by industry sector showed the great predominance of investment to be in 'Financials' as to 38.7%, with 14.6% being in 'Materials', 18.0% being largely in health care, information technology, telecoms and utilities, and the balance in other sectors.
- The Australian economy (including the local share market) continues to show considerable resilience although economic activity has continued to weaken somewhat as contractionary measures from high interest rates and certain inflationary control mechanisms take effect. World economies are generally continuing to slow (including China's economy), and albeit the outlook for the US shows signs of improvement particular since the post balance date election victory by Donald Trump.
- The domestic share market post balance date has been very resilient overall, and is trading at close to historical highs.
- Australian and US employment has been strong, aiding the economies of both countries.
- Immigration has continued to be strong (and has increased) in Australia notwithstanding proposed measures to restrict immigration into Australia in the future.
- The UK economy has not been strong.
- The worst of the pandemic and the uncertainties created by it, is thought to have passed. However, new variants and new outbreaks continue to cause a measure of concern.
- The US Dollar remains strong against most currencies.
- BWET's top holdings include (amongst others) Apple, Deutsche Boerse AG, ING Groep, Exxon Mobil, Siemens AG, Lockheed Martin, Novartis AG, Home Depot, Shell, Teck Resources and Roche Holding amongst others.
- Domestic holdings through the investment in the BAET trust have held their value and provided reasonable income returns. High P/E stocks have generally been avoided for new investments. BAET's top holdings include (without being exhaustive) Westpac, ANZ, NAB, Newmont, Challenger Group, Woodside Energy, Amcor, BHP, Resmed, South32, Santos and Suncorp Group amongst others.
- Small, Mid-Cap & Resources holdings (BSMaRT) investments have started to track upwards, but has continued to have challenges with smallcap resources not having performed to the extent desired. This included Armour Energy, a Surat Basin gas producer having been placed into voluntary administration. Factors included weak lithium prices and general negative sentiment in the sector.

Over the September quarter of 2024, the BSMaRT portfolio is up approximately 2.99%. It has outperformed the small-cap Index in previous periods, but over FYE 30 June 2024, that was not the case.

- Analysts view as to the future of interest rates are mixed. Coupled with high valuations in certain sectors, Burrell Stockbroking in managing the AIH and the relevant sub-Trusts' portfolios have advised that they have taken a watchful view and are generally seeking to pick up good value stocks at reasonable prices. This often involves carrying an increased level of cash for a period so as to avail of opportunities when they present.
- Investments in green energy and in the environmental, social and governance (ESG) managed funds sector are popular. They are in many cases exciting and technologically interesting. However, it is important to consider whether a number of the said technologies are yet investible with a reasonable degree level of risk, or whether it is as yet still too early because they are in the reasonably early research phase. The recent quarter has seen numerous renewable projects suffer significant losses and delays as the higher interest rate environment, supply chain issues and company debt levels come to bear.

The first quarter of the 2024-25 financial year has been steady but solid. Inflation appears to be cooling globally. With the geopolitical factors of the ongoing war between Ukraine and Russia as well as the recent Israel-Palestine conflict and the ongoing China concerns, coupled the with the recent US election outcome, has the potential for trade wars and increased tariffs to occur. This could see increased volatility in share markets around the world. Seeking good value stocks with reasonable PE ratios is expected to be the prime focus for AIH and the relevant trusts through which it invests.

In conclusion, the Company's results for the financial year ended 30<sup>th</sup> June 2024 were positive, but there are significant uncertainties in the year ahead having the potential to compress returns and unrealised book values. However, there are also investment opportunities as good quality stocks fall to reasonable or better than reasonable prices.

Thank you



Roger Burrell  
Chairman  
20<sup>th</sup> November 2024