

ANNUAL GENERAL MEETING  
NOVEMBER 2023



**KAIZEN GLOBAL**  
Investments

# ANNUAL GENERAL MEETING 2023

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## AGM Agenda

1. Chairman's welcome and address
2. Results
3. Resolutions
4. Investment outlook
5. Portfolio and investment process

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Name	Position	Independence	Prior experience
Simon Winfield MBA	Executive Chairman	Not independent	Credit Suisse, Bank of America Merrill Lynch
Connor Grindlay MEng (Hons)	Managing Director	Not independent	Credit Suisse, WestLB Panmure, Trafelet, Millennium Capital Partners, Caledonia Investments.
Andre Edmunds BEng (Hons)	Non-executive Director	Independent	AMP General insurance, CSC Australia, Deloitte UK, Barclays, Toyota, Volkswagen, Cazenove Capital, Orange Sweden, Hutchinson 3G, VirginMedia, Optus, Telstra, Downer, Foxtel, News Ltd and Transport for NSW.

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## Financial results for the year ended 30 June 2023

	30 June 2023
Pre tax profit (loss) dollars	(466,660)
Basic profit per share (cents per share)	(12.16)
Net tangible backing per share post tax (cents per share)	113.04

## Recent Net tangible backing per share post tax (cents per share)

- 31 October 2023 (unaudited) 104.26 (cents per share)
- 127.08 (cents per share) June 30 2022 (-11.05% year on year)
- 7.77% decrease in NTA since June 30 2023 (to latest October 31 NTA).

## Dividends

- **Board will consider dividends in FY 2023** if profit and franking balances allow this, but also assess capital allocation options with share buybacks.

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## ORDINARY BUSINESS

### **Financial Statements and Reports**

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

### **Summary of Proxy Instructions**

No vote required.

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## RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### Remuneration Report

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2023.”*

### Summary of Proxy Instructions

For	Open	Against	Abstain
2,606,070	0	15,000	0

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## RESOLUTION 2 – RE-ELECTION OF MR SIMON WINFIELD AS DIRECTOR

### Election of Directors

*“That Simon Winfield, a director who retires by rotation in accordance with the Company’s Constitution, and being eligible offers himself for re-election, is re-elected as a Director of the company.”*

### Summary of Proxy Instructions

For	Open	Against	Abstain
2,606,070	0	15,000	0



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## RESOLUTION 3 – ISSUE OF FULLY PAID ORDINARY SHARES IN THE COMPANY

### Issue of fully paid ordinary shares

*“That for the purposes of NSX Listing Rule 6.25, and all other purposes, approval is given for the issue and allotment of up to 8,000,000 fully paid ordinary shares at an issue price of \$1.25 per share as detailed in the Explanatory Statement.”*

### Summary of Proxy Instructions

For	Open	Against	Abstain
2,606,070	0	15,000	0

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## KGI's business model aims to;

- Achieve a high real rate of return for Shareholders comprising both income and capital growth;
- Preserve capital of the Company; and,
- Deliver Shareholders a growing stream of fully franked dividends.

## KGI's Investment Strategy

- Invest majority of assets in diverse portfolio consisting of 30-60 internationally listed equities (shares).
- Invest with long-term horizon (3-5 years plus).
- Utilise a fundamental, stock-picking approach.
- Invest in companies with thematic tailwinds.
- Utilise strategies, such as shorting, to protect downside risk.
- Invest part of the portfolio in unlisted Australian companies and re-invest excess cash flows.

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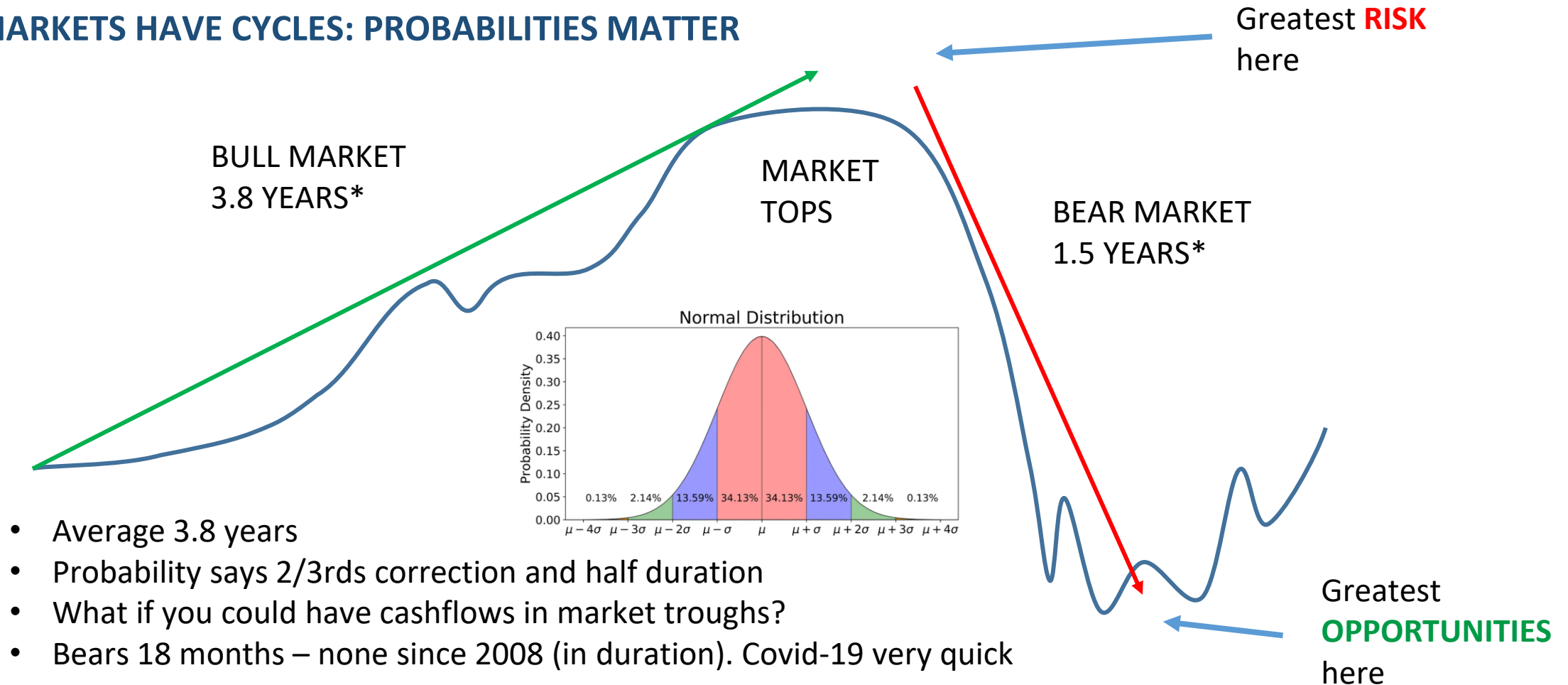
## CAPITAL ALLOCATION

### Maiden dividend in 2023

- Cash flows from private investment returned to KGI and funded our maiden dividend of 6.5 cents per share.
- Always have option to buy back shares and cancel, reinvest capital or pay dividends – opportunistic.

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## MARKETS HAVE CYCLES: PROBABILITIES MATTER



**PROBABILITIES:** LOOKING FOR TIME TO MAKE BIGGEST RISK WEIGHTED INVESTMENTS

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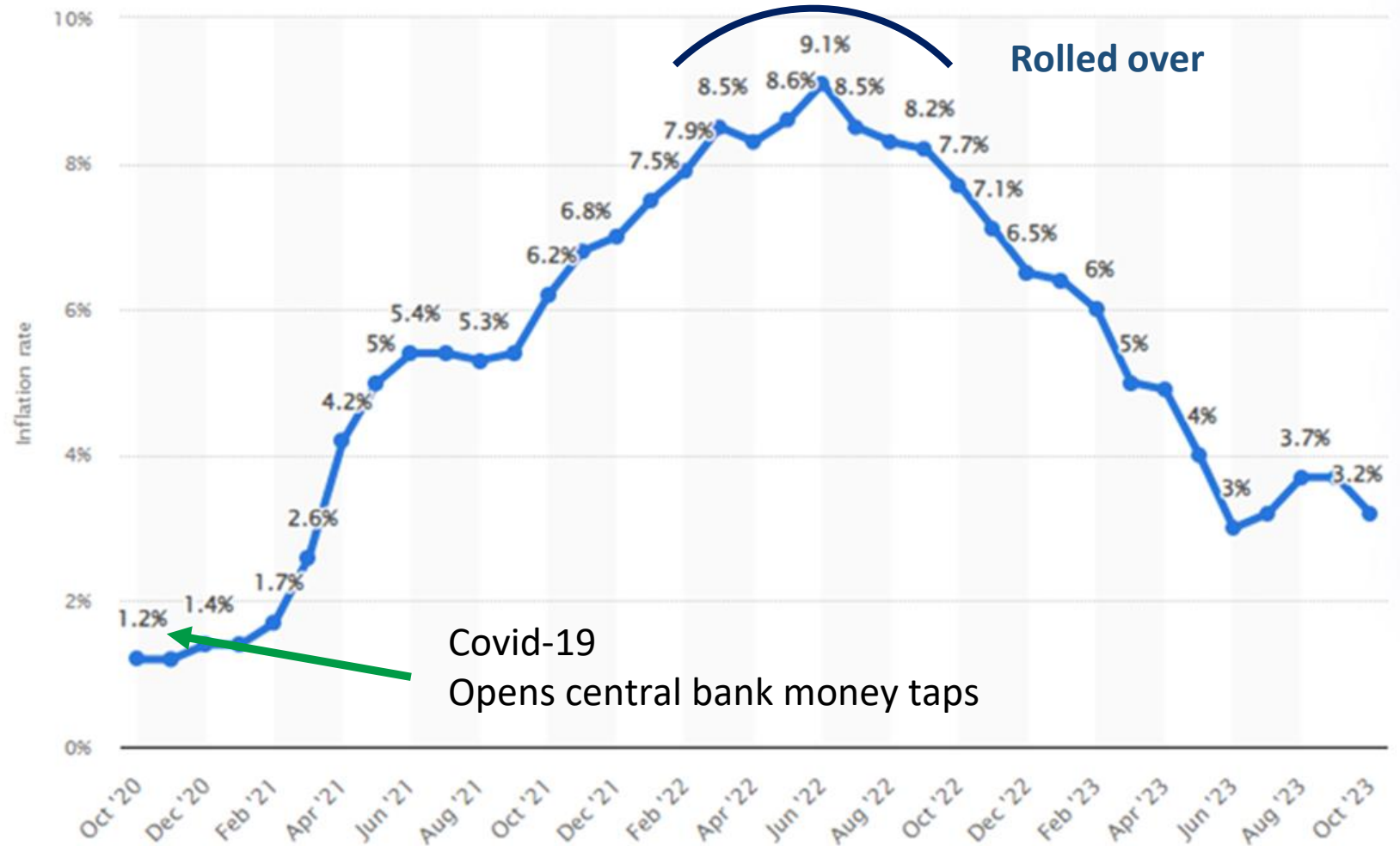
## Inflation

All eyes on inflation 'peaking'?  
Central banks hawkish

IF

inflation peaks  
could we see a great  
opportunity to invest in  
'growth' again?

Monthly 12 month inflation rate in the United States from October 2020 to October 2023



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## Inflation

All eyes on inflation 'peaking'?  
Central banks hawkish

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## Fed Pauses Rate Hikes But Stiffens Long-Term Outlook

Upper limit of the U.S. federal funds target rate range\*



\* Dotted lines indicate median projections of the midpoint of the appropriate target rate range at the end of the specified calendar year.

Source: U.S. Federal Reserve

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## Stocks

Behaving strangely for 'peaking' inflation. Very narrow range of stocks performing



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## COMPOUNDING MACHINE BUILT: PRIVATE MARKET OPPORTUNITIES

- Berkshire Hathaway has a mix of investments:
- We're not Berkshire – of course – but the model has merit
- Public market shares + private investments where Buffett 'reallocates' the capital.
- KGI is a capital reallocation machine
- But investors should think of KGI more like a Berkshire than a static investment vehicle



Private businesses have a lot of shared opportunities

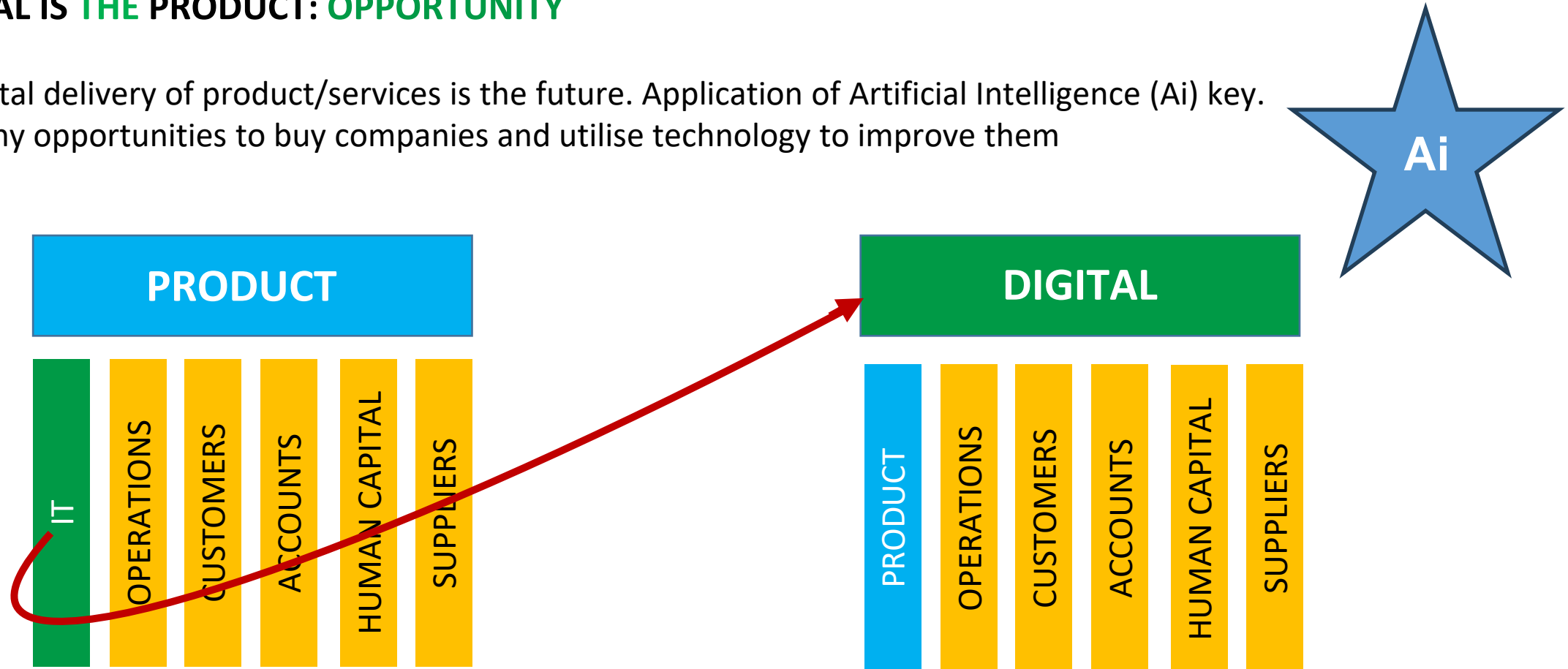


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## DIGITAL IS THE PRODUCT: OPPORTUNITY

- Digital delivery of product/services is the future. Application of Artificial Intelligence (Ai) key.
- Many opportunities to buy companies and utilise technology to improve them



# ARTIFICIAL INTELLIGENCE: AUGMENTATION A HUGE OPPORTUNITY

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## AI IS LEVELLING PLAYING FIELD FOR SMEs

- Technological disruption enormous
- 'How' to use it? This is the opportunity



Scaling content at low incremental cost  
Aitana Lopez – an avatar – not a human

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## How we invest – our **PROCESS**

### Logical – Repeatable

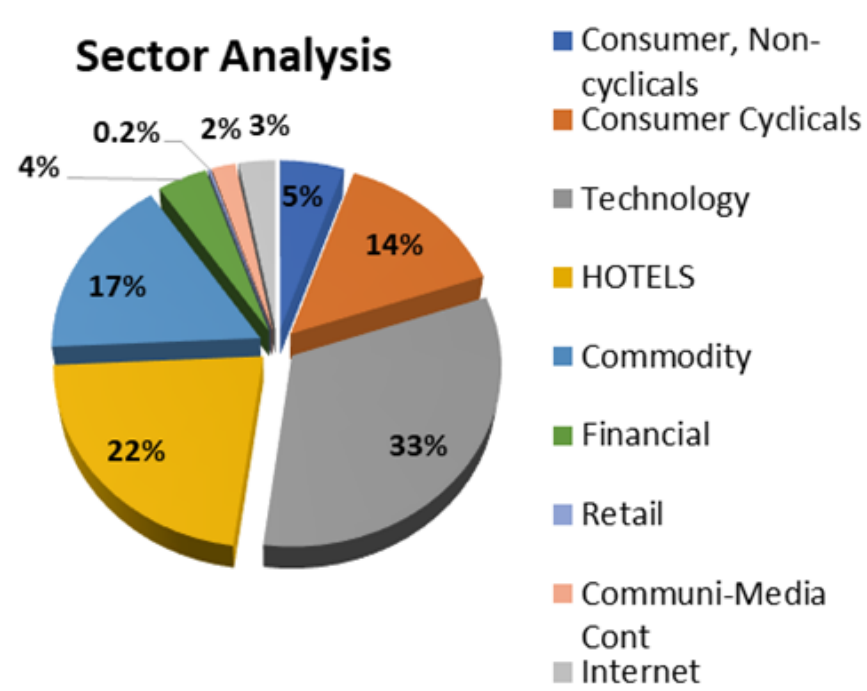
- Identify investment opportunities
- Complete fundamental analysis
- Quantify Investment thesis
- Consider macro-economic environment
- Determine portfolio weighting
- Maintain selling discipline

### Unchanged

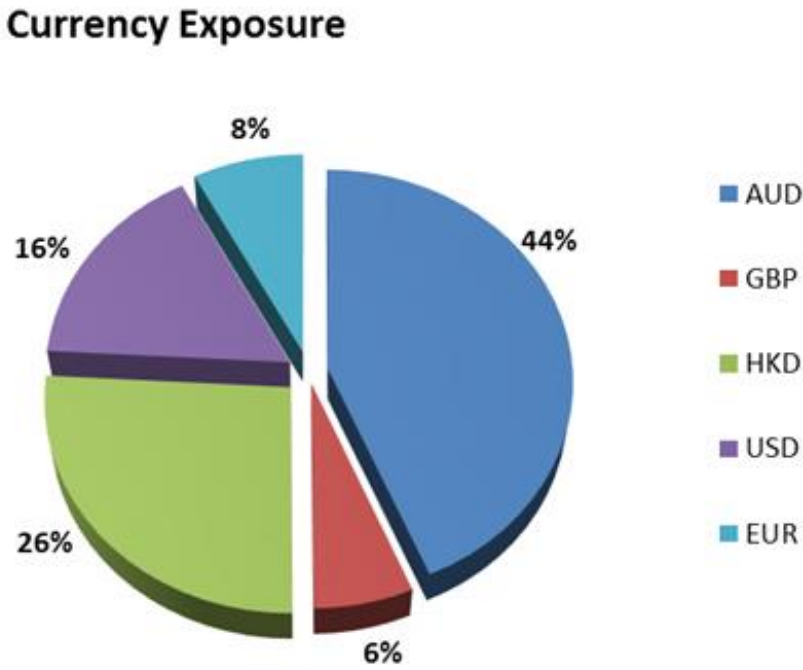


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Portfolio composition (30 June 2023)



Sector analysis excluding private investment co

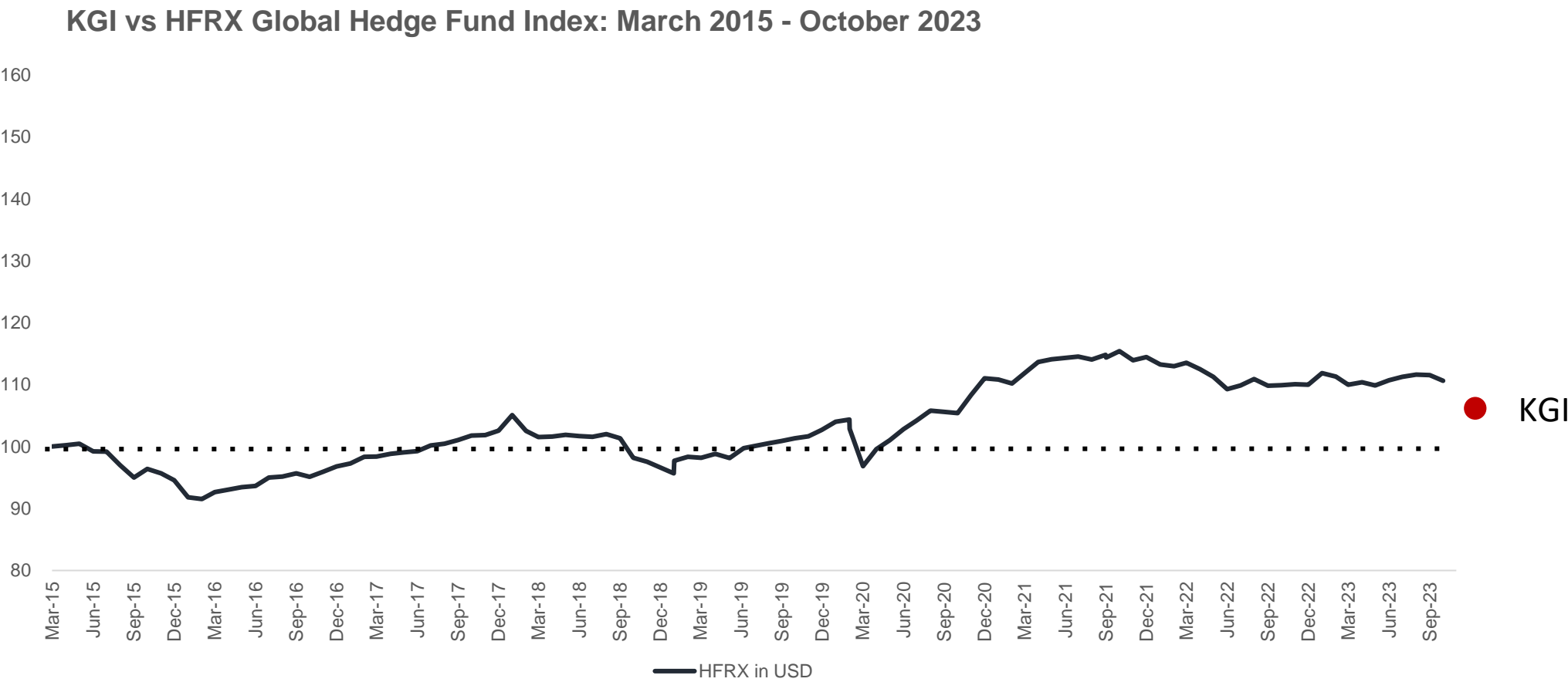


FX analysis excluding private investment co

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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND ETFs: +6.63% from NAV\* : +10.61% HFRX

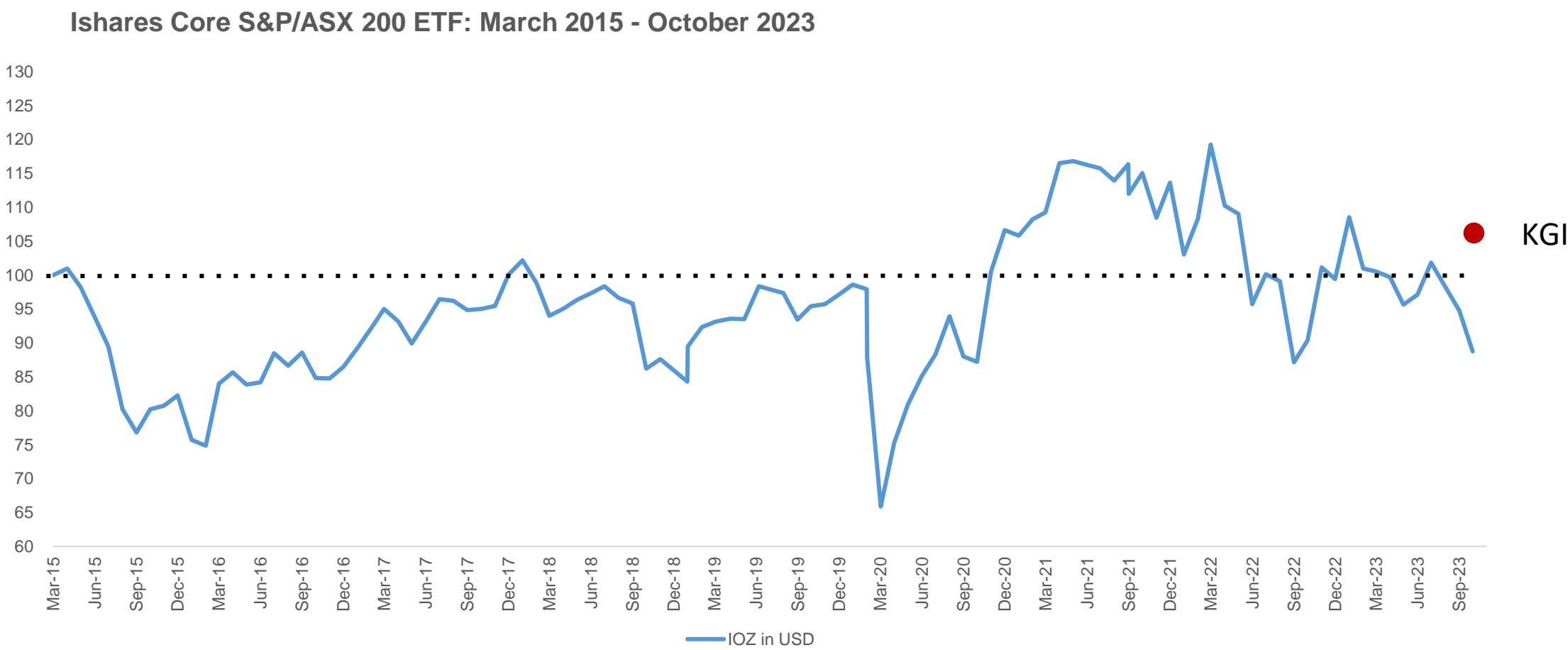


\*Post listing costs NAV including dividends paid 6.5 cents per share

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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND ETFs: +6.63% from NAV\* : - 11.25% IOZ

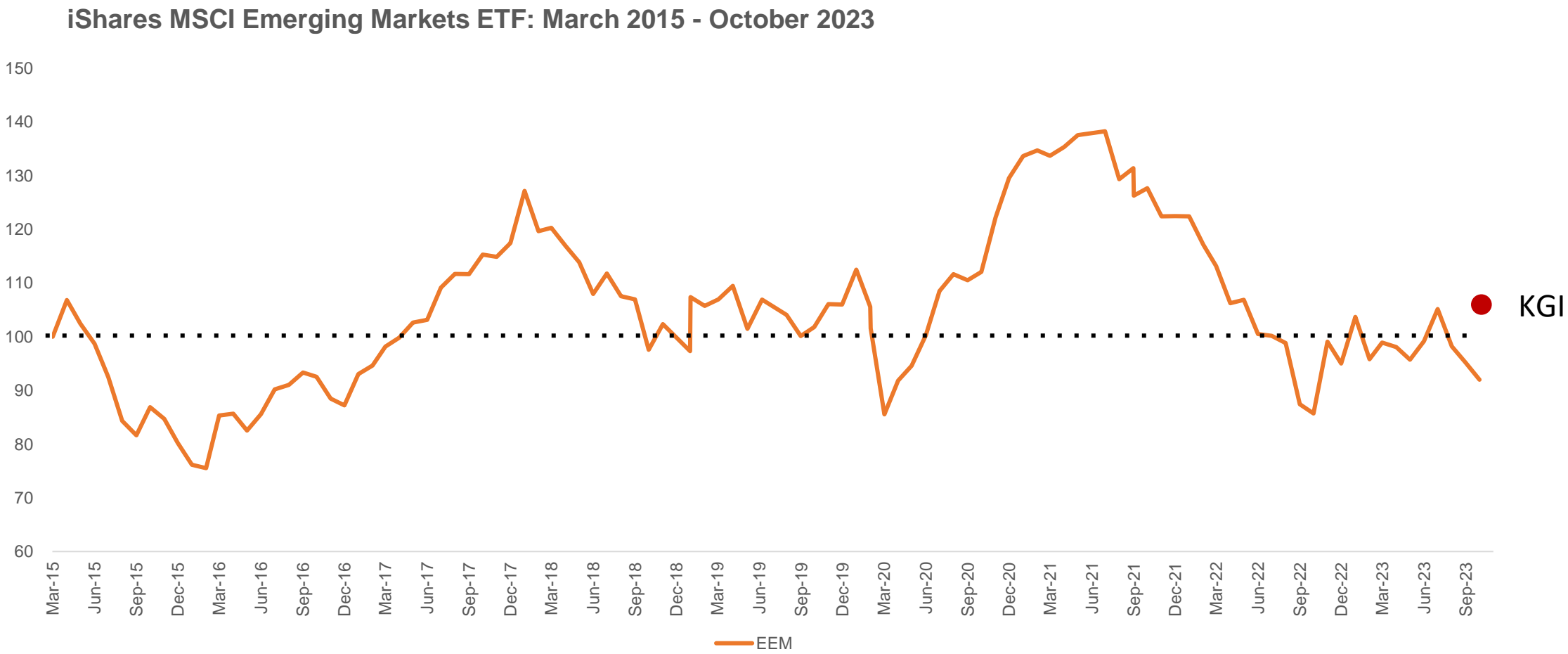


\*Post listing costs NAV including dividends paid 6.5 cents per share

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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND ETFs: +6.63% from NAV\* : - 8.00% EEM

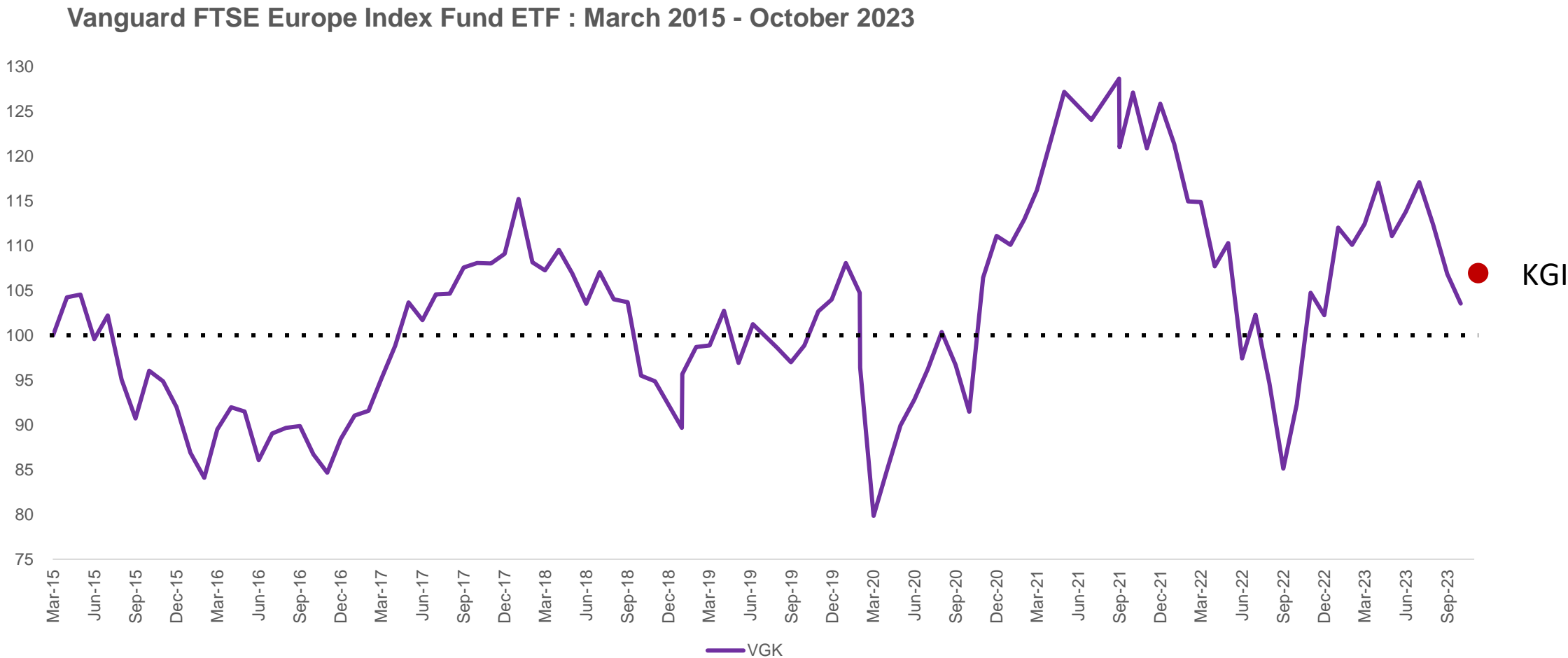


\*Post listing costs NAV including dividends paid 6.5 cents per share

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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND ETFs: +6.63% from NAV\* : +3.54% VGK



\*Post listing costs NAV including dividends paid 6.5 cents per share

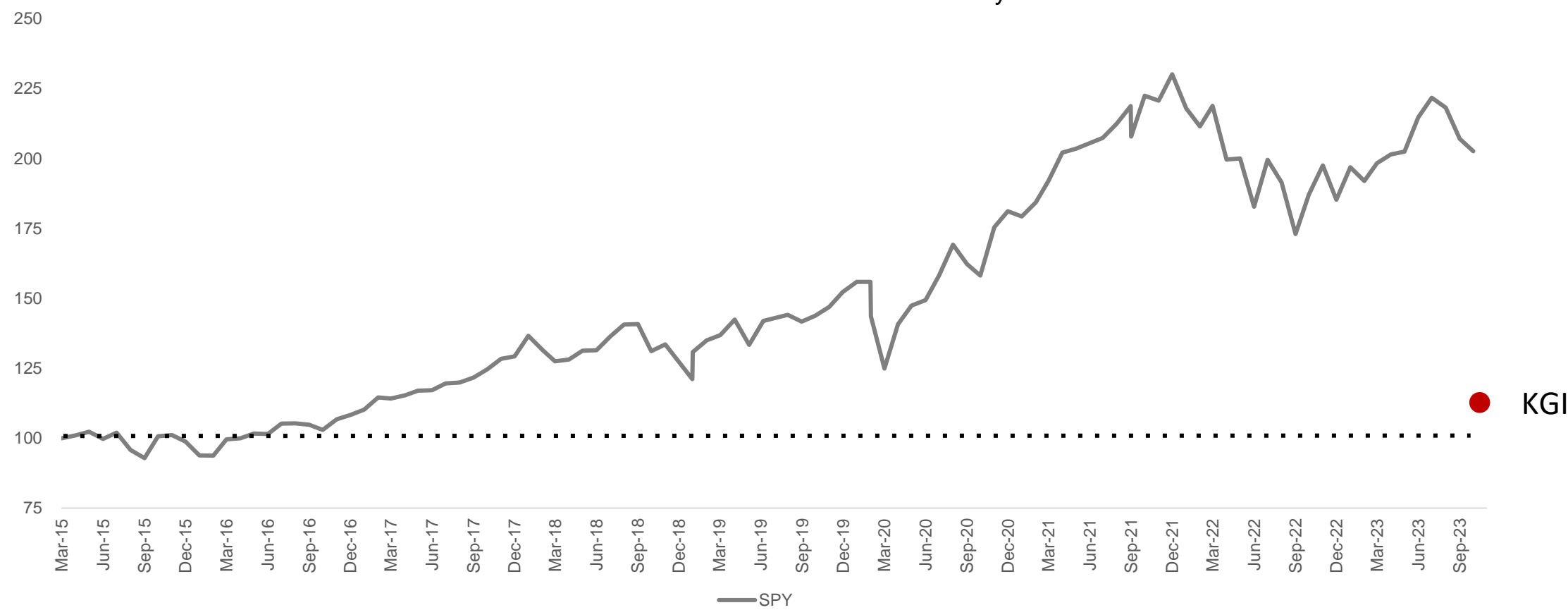


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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND ETFs: +6.63% from NAV\* : +102.59% SPY

SPDR® S&P 500 ETF : March 2015 - October 2023



The **United States** has been THE place to be in terms of global markets for the past decade. It is the stand-out market but will it be for the next 5 years?

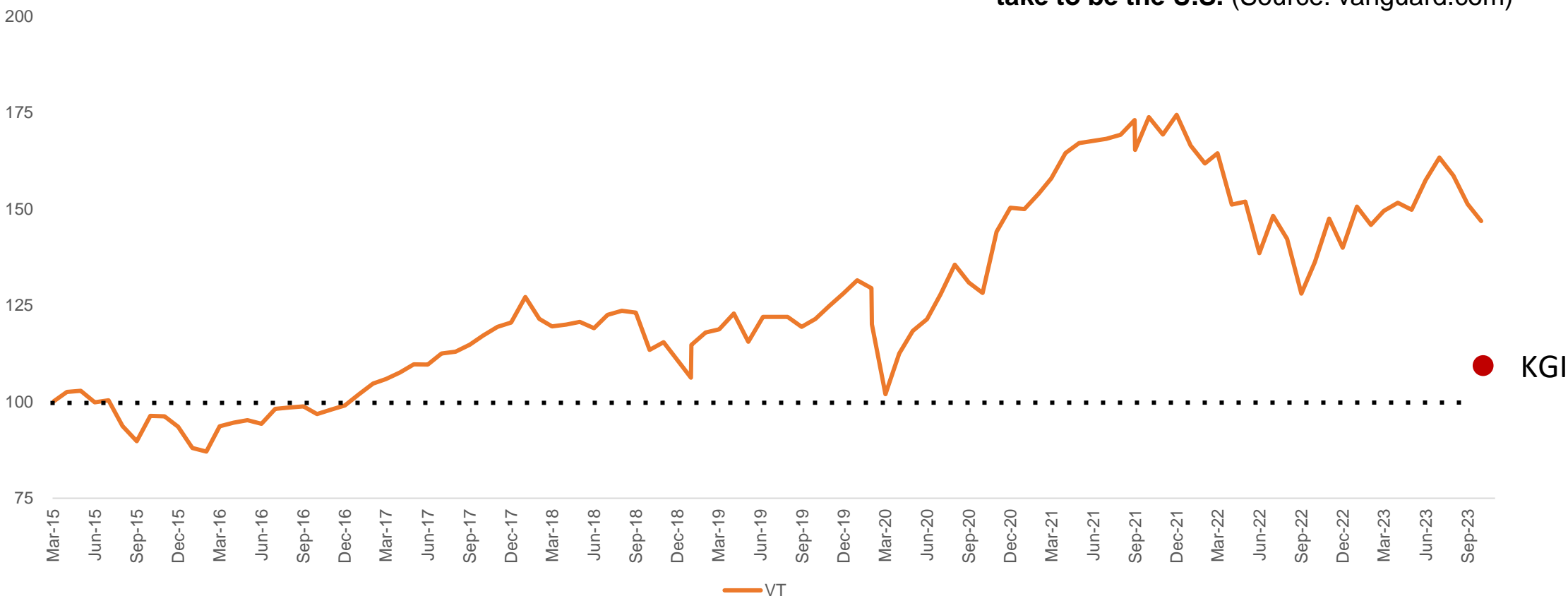
\*Post listing costs NAV including dividends paid 6.5 cents per share

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WHAT HAS PERFORMANCE BEEN LIKE GLOBALLY SINCE FLOAT?

KGI AND INDEX: +6.63% from NAV\* : + 46.87% VT

Vanguard Total World Stock Index : March 2015 - October 2023

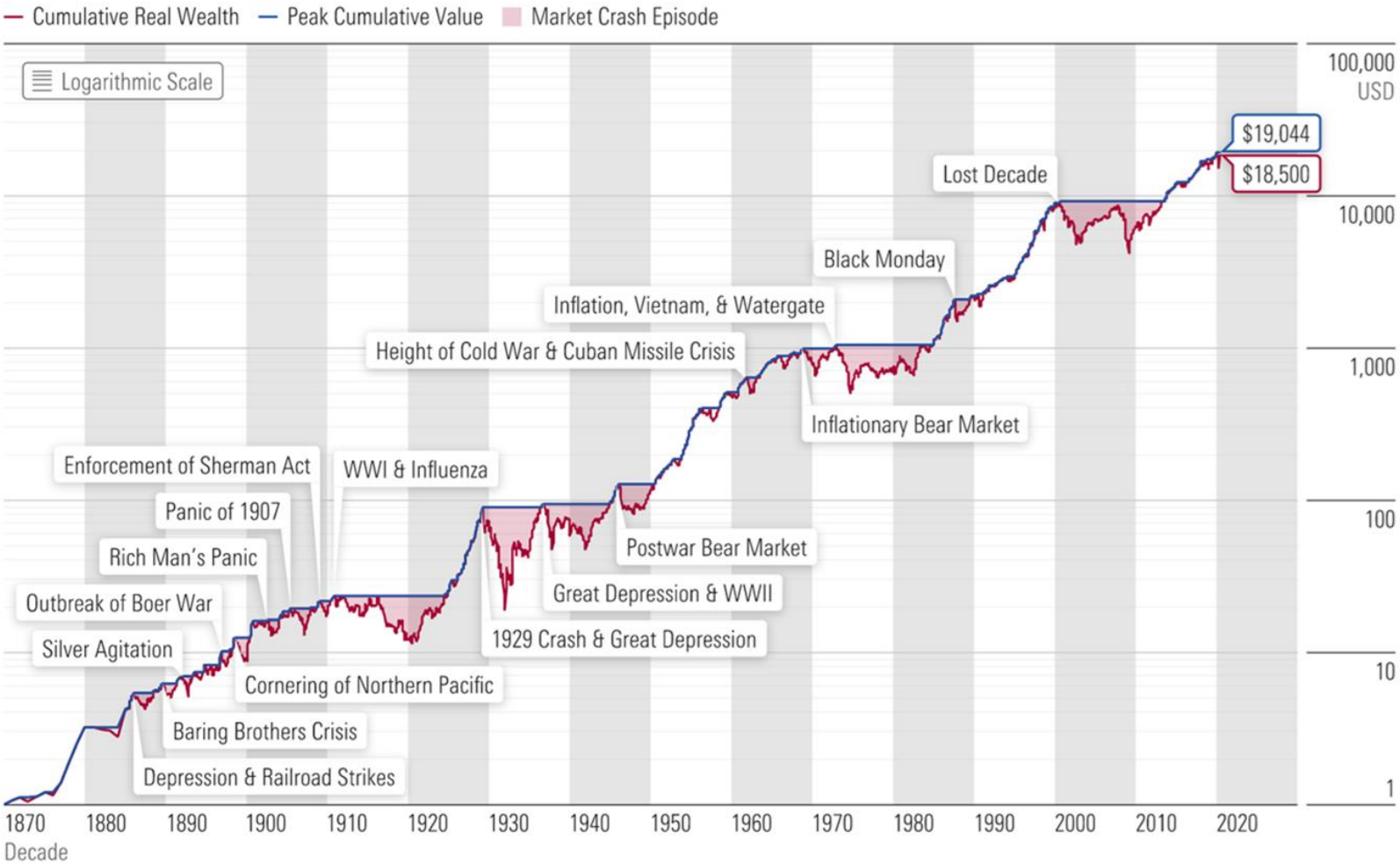


Since the **United States** is such a **big part of the World index**, that has performed well too. 'Foreign holdings' 38.8% i.e. **61.2% non-Foreign which we take to be the U.S.** (Source: vanguard.com)

\*Post listing costs NAV including dividends paid 6.5 cents per share

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## The LONG term: Cumulative ‘Real’ Wealth CAGR: 1870-2020



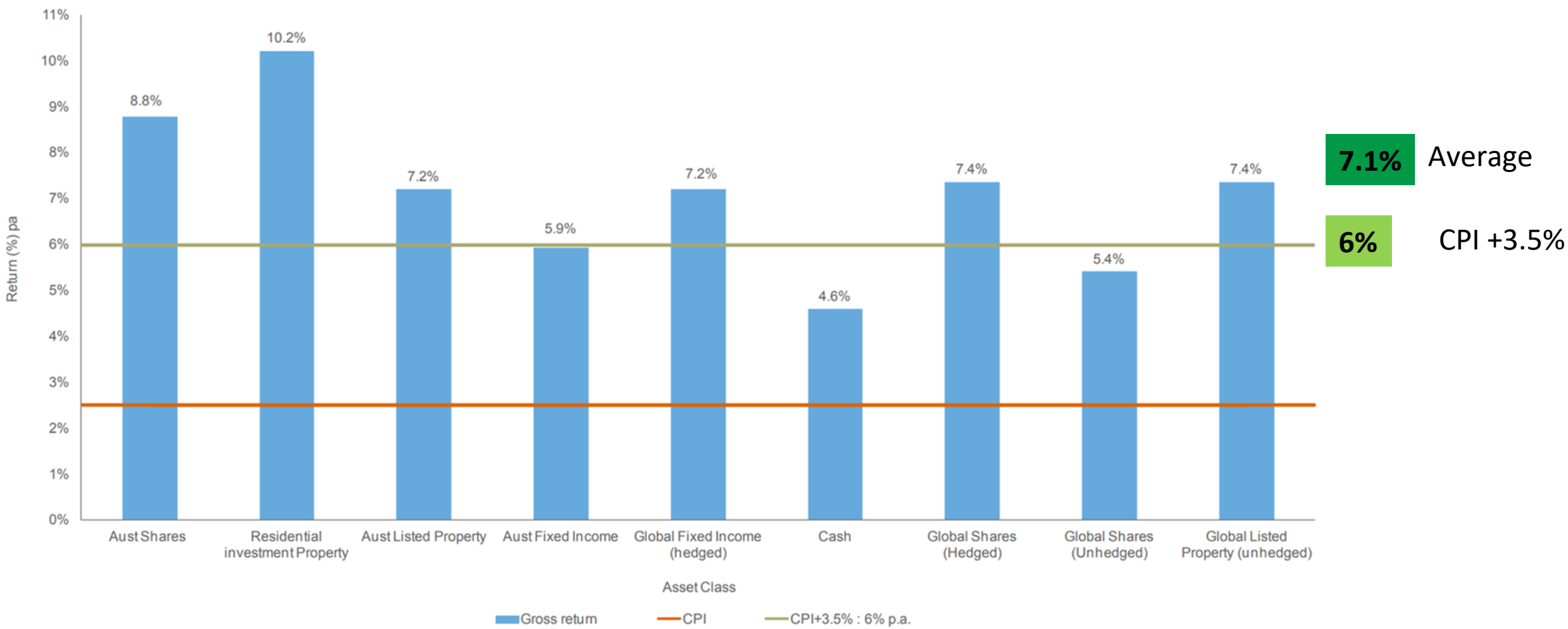
6.8%

Data as of Jun 30, 2020. Sources: Kaplan et al. (2009); Ibbotson (2020); Morningstar Direct; Goetzmann, Ibbotson, and Peng (2000); Pierce (1982); [www.econ.yale.edu/~shiller/data.htm](http://www.econ.yale.edu/~shiller/data.htm), Ibbotson Associates SBBI US Large-Cap Stock Inflation Adjusted Total Return Extended Index.

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What is a ‘good’ delivered result? Based on history: Russell-ASX Long-term investing report 2018

Figure 5 – Comparison across asset classes on a before-tax basis: 20 years to December 2017

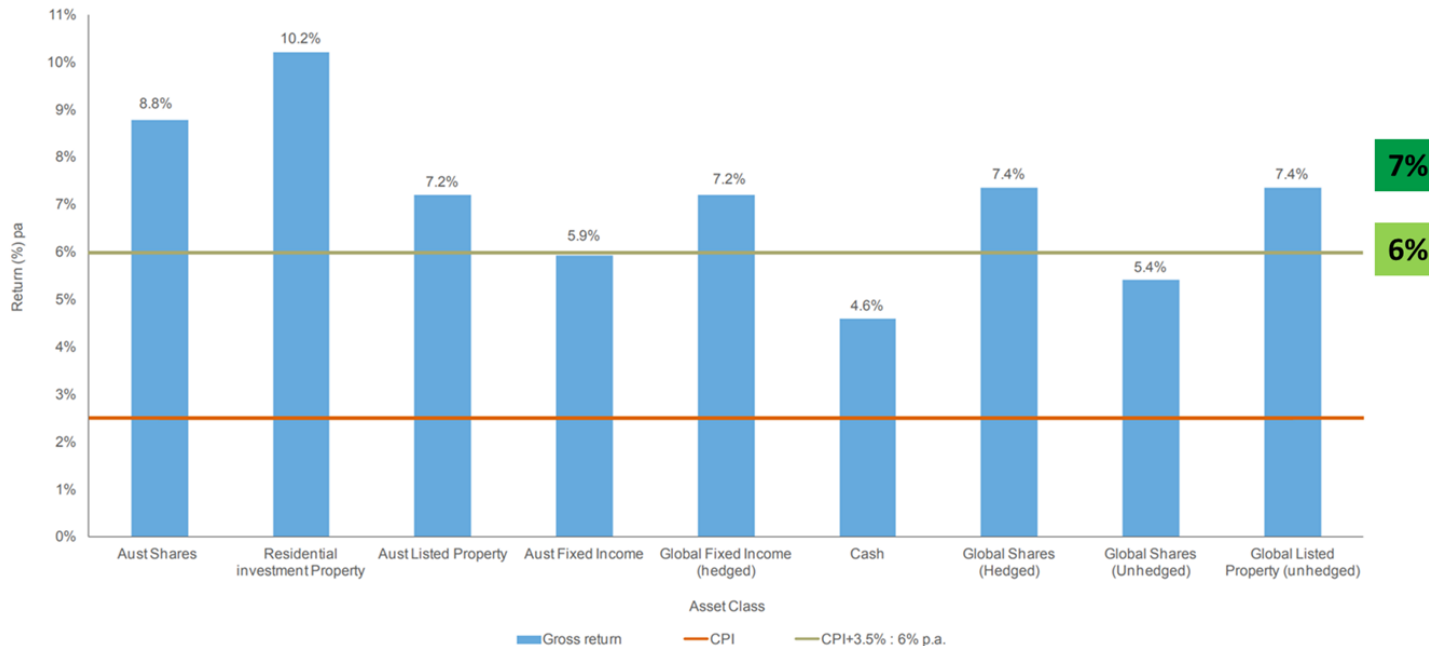


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## Implications in numbers: Relook at the earlier slide

The 'average' return of these historic series (shown before) is 7.1%

At \$1.10 (last traded share price of KGI) that would imply a gross dividend of 7.81 cents per share to achieve 7.1% **IF**, and there are no guarantees, this was all paid out - it shows the potential for the compounding power of KGI Maiden dividend of 6.5 cents paid per share – on a \$1.10 that would be a 5.9% net yield – but gross would be 7.87%. **IF** that was sustainable then the gross yield would be above the 20 year average



\* This is not a forward looking statement of targeted/assured returns nor is it financial advice which considers shareholders' objectives, financial situations or needs. It is a hypothetical calculation which does not provide a guarantee for, or predict, the future performance of the Company.

**KAIZEN GLOBAL INVESTMENTS**

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## MULTIPLE ARROWS IN OUR QUIVER

- LONGS
- SHORTS AND CAPITAL PROTECTION
- OPTIONALITY ON BUYING OTHER PRIVATE BUSINESSES
- ABILITY TO POTENTIALLY CAPITALISE ON WEAK MARKETS (FOREWARNED/FOREARMED)
- REDEPLOY CAPITAL FROM PRIVATE BUSINESS



