



MIRRABOOKA
Investments Limited

17 March 2023

The Manager
ASX Market Announcements
Australian Securities Exchange
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Electronic Lodgement

**Mirrabooka Investments Limited
Information Meetings – Presentation**

Dear Sir / Madam

Please find attached the presentation to be given at the Information Meetings being held in March 2023.

Yours faithfully

Matthew Rowe
Company Secretary

ASX Release authorised by the Company Secretary.



Shareholder Meeting March 2023

Agenda

Overview of the Investment Process

Mark Freeman/Investment Team

Market Conditions

Mark Freeman

Portfolio Updates:

Djerriwarrh

Brett McNeill

Mirrabooka

Kieran Kennedy

AMCIL

Mark Freeman

Outlook

Mark Freeman

Disclaimer

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Overview of the Investment Process



Investment Approach

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

ESG Components are Integrated into our Investment Framework



Approach to Environmental, Social and Governance (ESG) Factors

- Assessment of ESG risk factors is an important part of our investment process as the sustainability of a business is a key input in our assessment of a company.
- As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks.
- We regularly review companies to ensure ongoing alignment with our investment framework.



Engagement with Companies

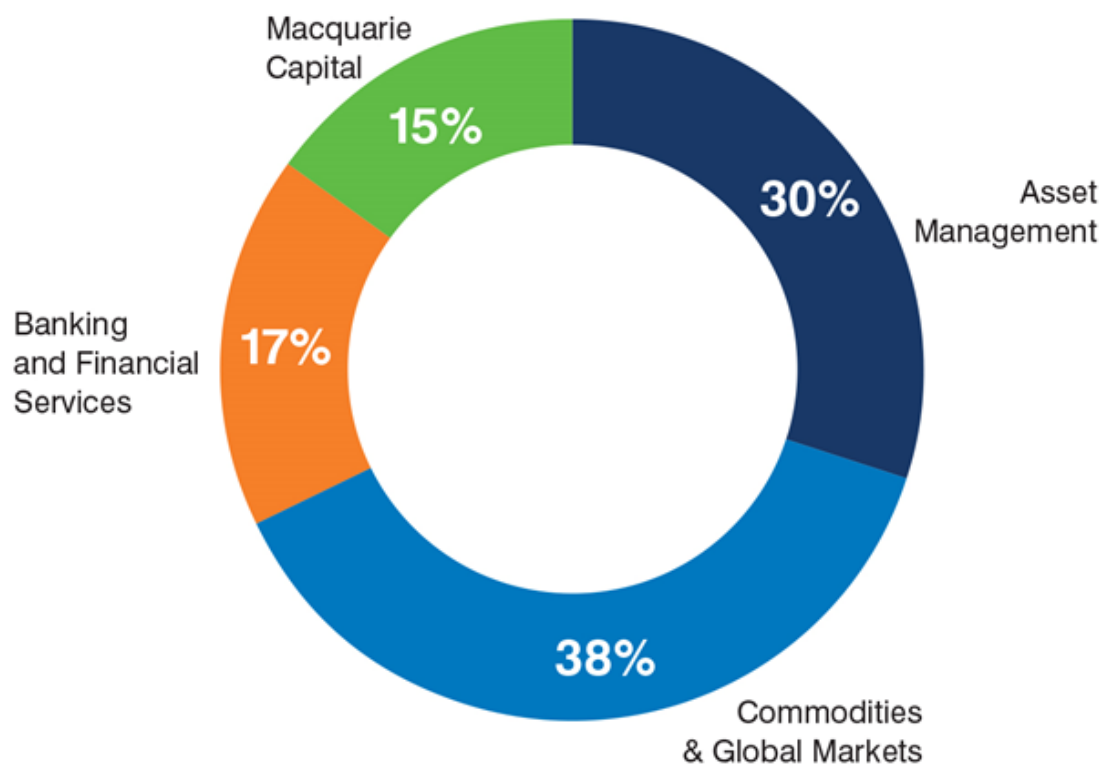
Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We conduct our own evaluation of the merits of any shareholder resolution and also take input from proxy advisors.
- We vote on all company resolutions as part of our regular engagement with companies.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

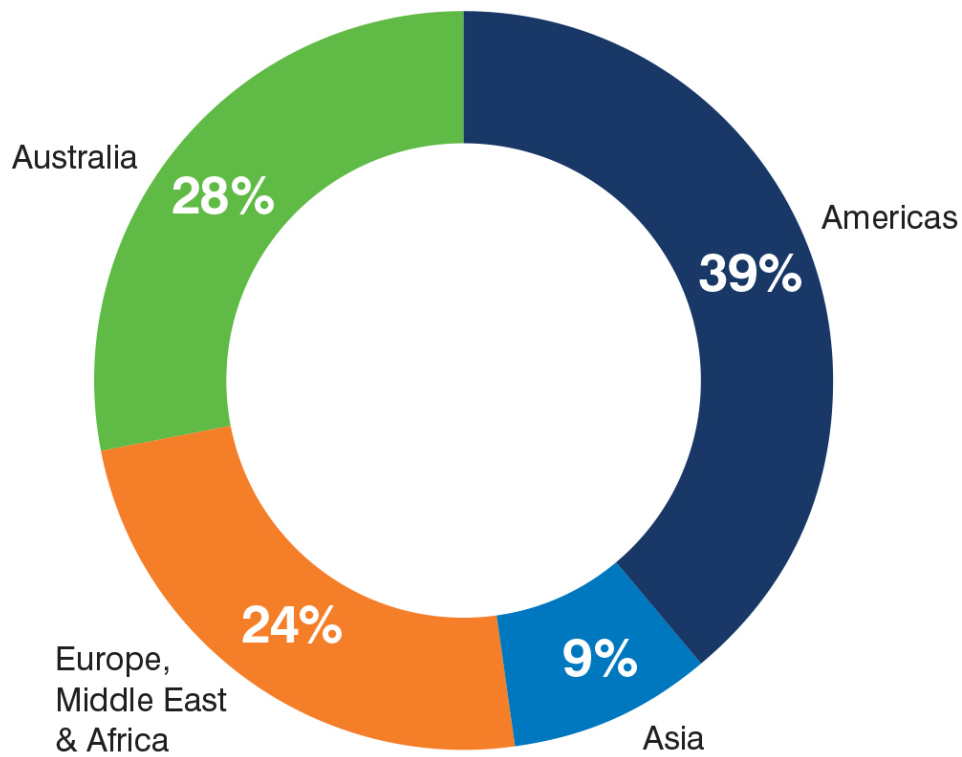
Examples of Companies Fitting the Investment Process:



Profit Split by Business



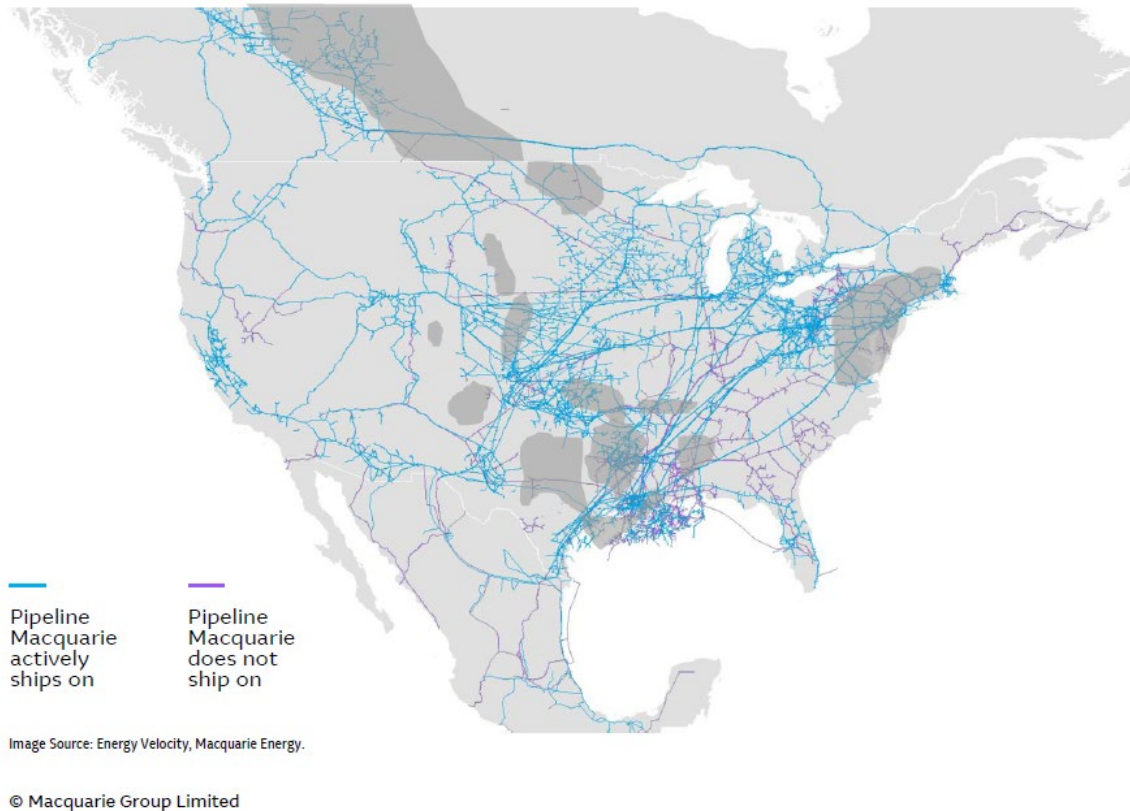
Profit Split by Region



Source: 1H23 Company Reports, Factset.



Examples of Companies Fitting the Investment Process



Commodities and Global Markets

- Macquarie are now a leader in commodities trading in North America.
- Their scale and expertise has been built over decades, and is now very hard to replicate.
- As a result, Macquarie is uniquely positioned to capitalise given their position in the market.
- This business has been a terrific contributor to Macquarie's recent profit results.

Source: Company Reports

Examples of Companies Fitting the Investment Process



Capital and Asset Management



- The Maher Asset Terminals is the largest container terminal operator in the Port of New York/New Jersey.
- It is a unique asset in terms of its location and pricing power.
- Recent sales of nearby container terminals imply a significant uplift in valuation vs Macquarie's purchase price in 2016.

Source: Brett's iphone.

Examples of Companies Fitting the Investment Process



Source: Company Website

Australia's leading producer and distributor of four-wheel drive accessories establishing a growing presence in the US, Europe and Asia.

Owner driver business with the Brown family heavily involved since its founding in 1975.

Strong focus on engineering great products has built a highly regarded global brand with attractive margins.

Recent partnerships with Ford and Toyota to develop ARB licensed accessories could provide significant long-term growth.

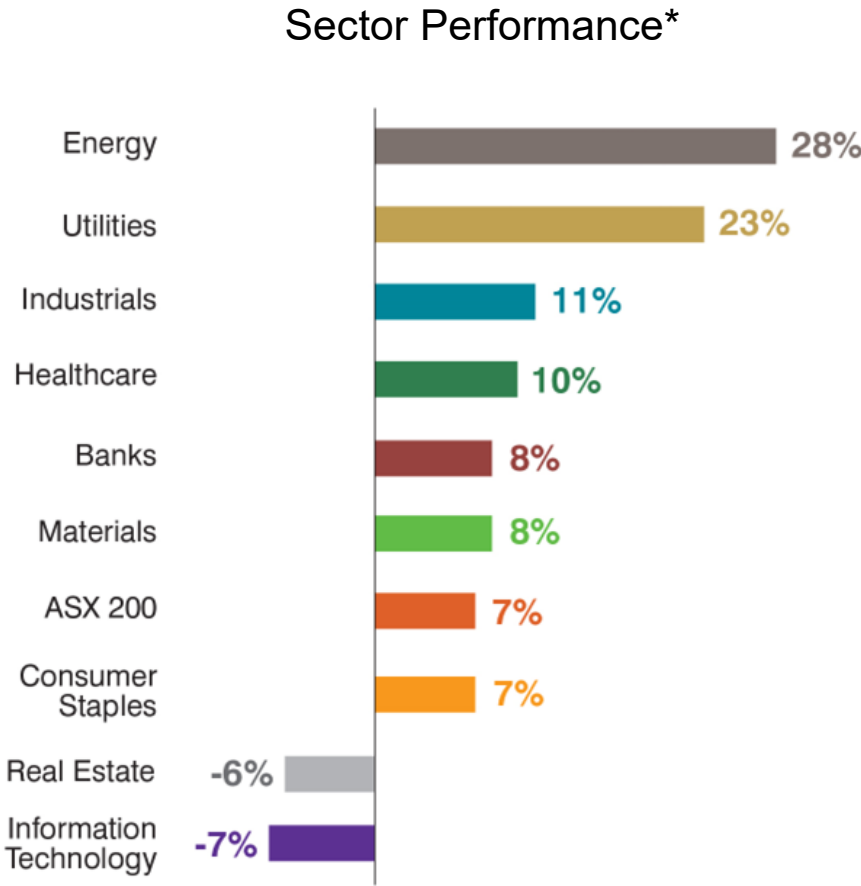
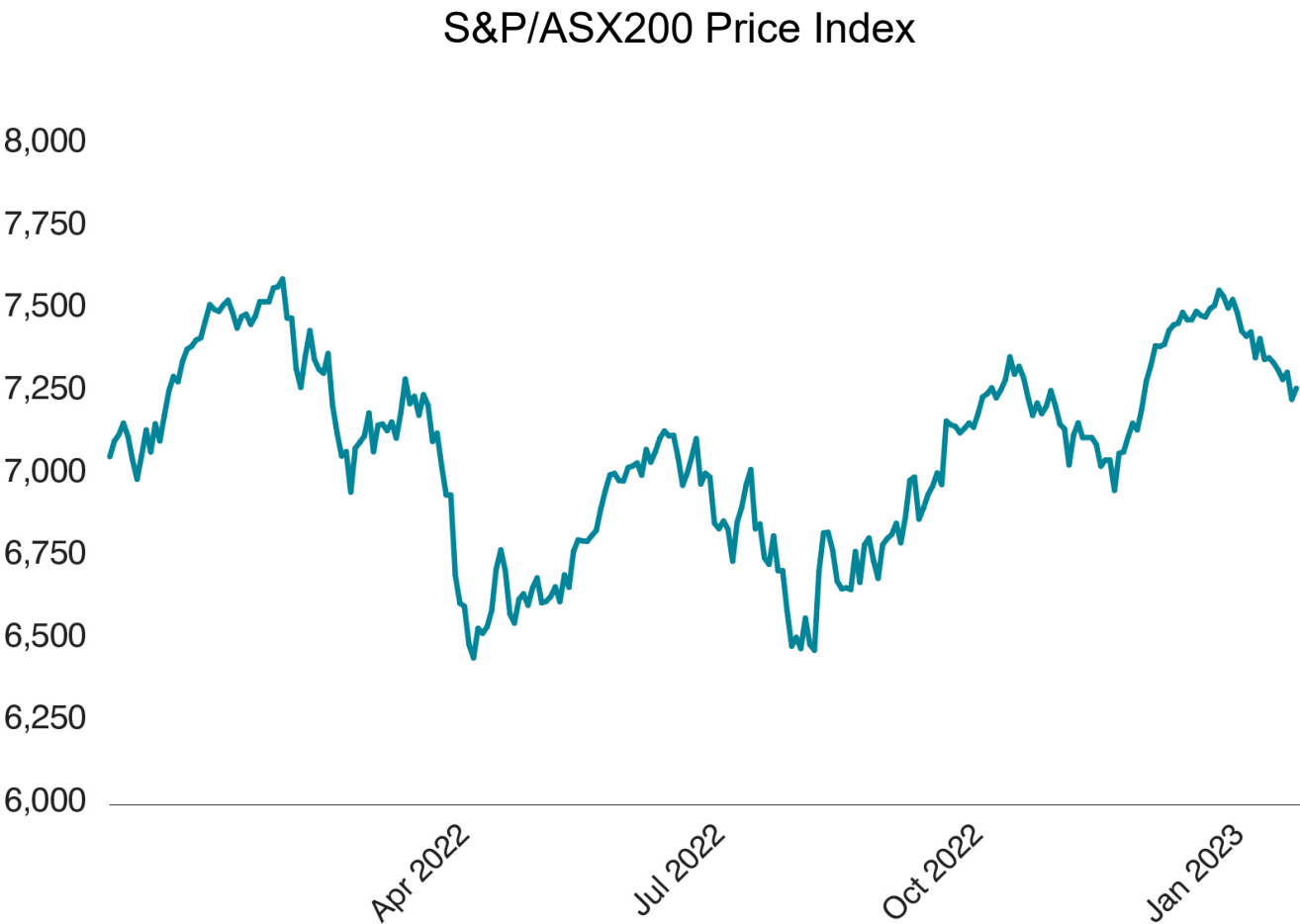


Market Conditions

Global conditions remain very volatile



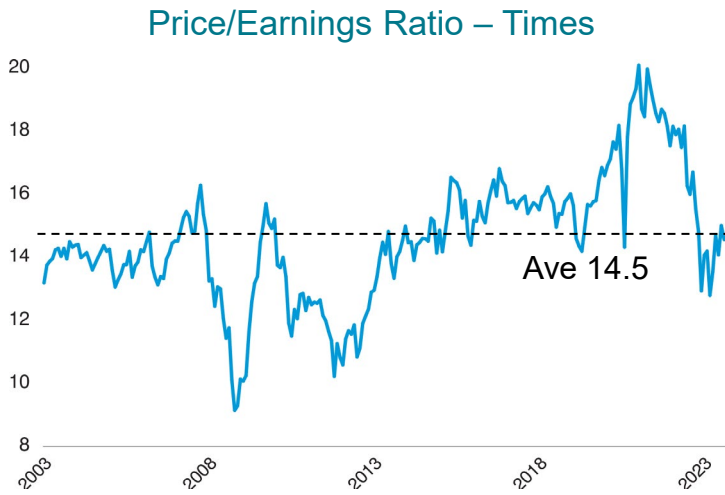
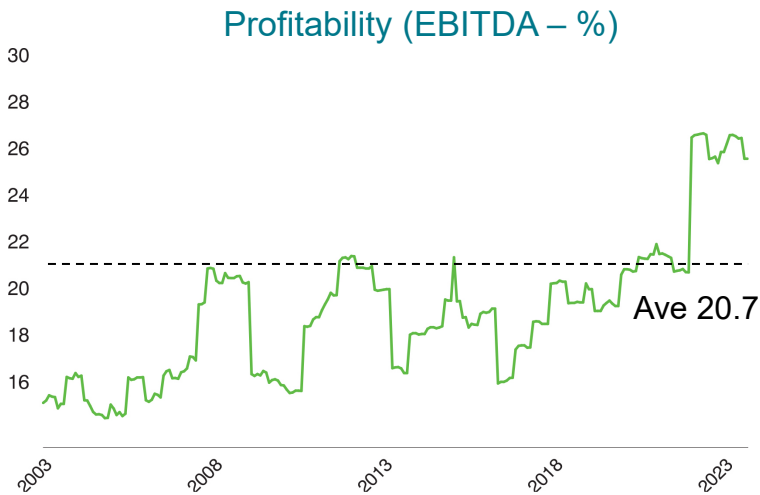
These conditions have produced a large divergence in sector performance – annual return to 28 February 2023



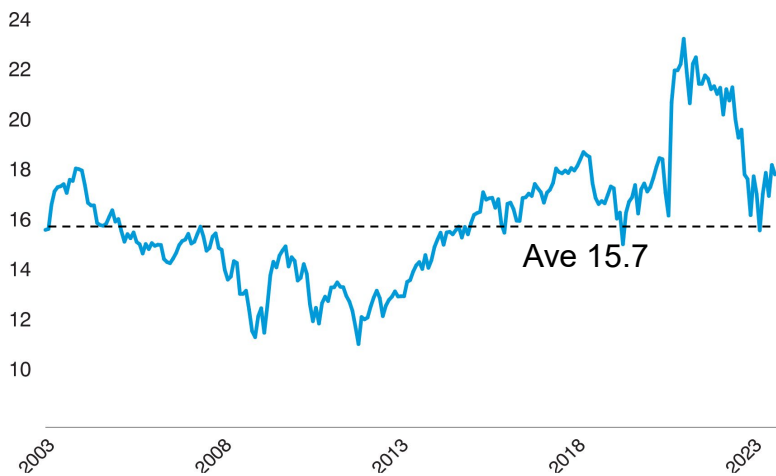
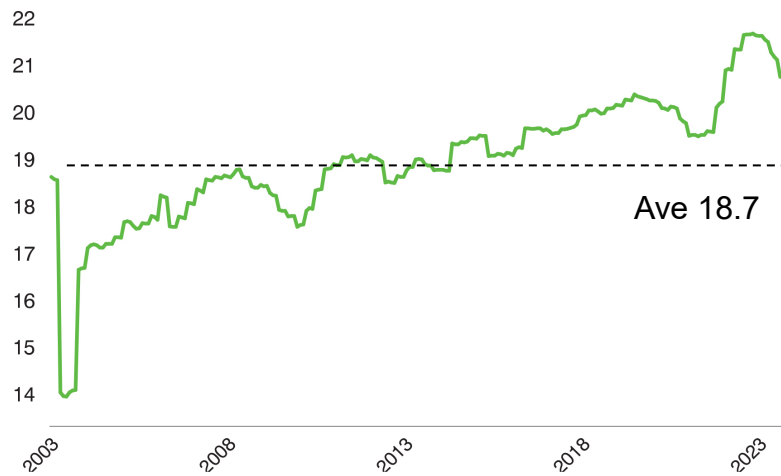
*Includes dividends but not franking

The Australian and US markets – margins now coming under pressure, valuations down from their peaks

Australia S&P
ASX 200



US
S&P 500



Source: FactSet. As at 28 February 2023

State of play in early 2023



Inflation outbreak

- Some temporary impacts have eased from their peak...
 - \$ freight rates
 - \$ European energy crisis averted due to mild winter
- ...but core inflation, particularly "sticky" in wages and rent remains elevated.



Sharp interest rate increases

- Much anticipation/hope that a cycle peak in rates is near.
- Looks clear that the era of ultra-low interest rates (free money) is over.



Slowing economic activity

- Activity has remained relatively resilient to date.
- Sentiment surveys are weak, confidence low.
- Increased caution about trading conditions in recent reporting season.

What were the themes of the recent reporting season?



Cost inflation

Cost Inflation evident –
Key manufacturing inputs, energy,
wages, freight, insurance.



Prices driving revenue

Price rises taken to maintain margins
– price a far more material revenue
driver than volume.



Margin pressure building

Caution that future price rises are
likely to be more impactful on
volume.



Interest Costs Rising

Interest costs rising for companies
with variable rate debt.



Elevated inventories

Recent supply chain constraints saw
some companies securing additional
inventory. An area to watch as demand
potentially slows.

But well-run companies continue to invest for growth opportunities that will outlast these pressures.



About Djerriwarrh

Djerriwarrh Investments Limited is a Listed Investment Company (LIC) investing in a diversified portfolio of Australian and New Zealand equities. For stocks where there is an options market, the Company often uses exchange traded and over-the-counter options to enhance the income return to investors.

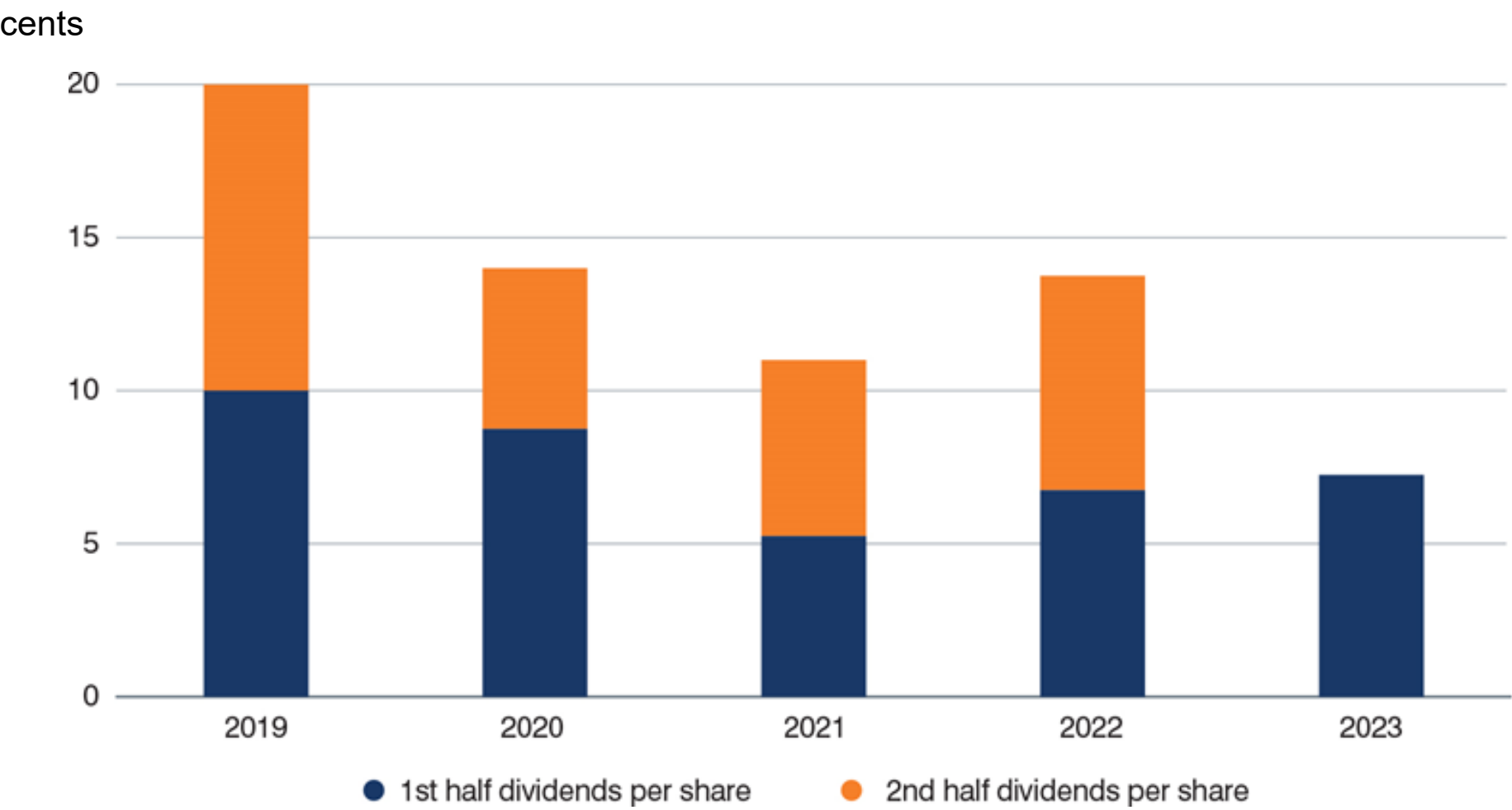
Investment Objectives

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than what is available from the S&P/ASX 200 Index.

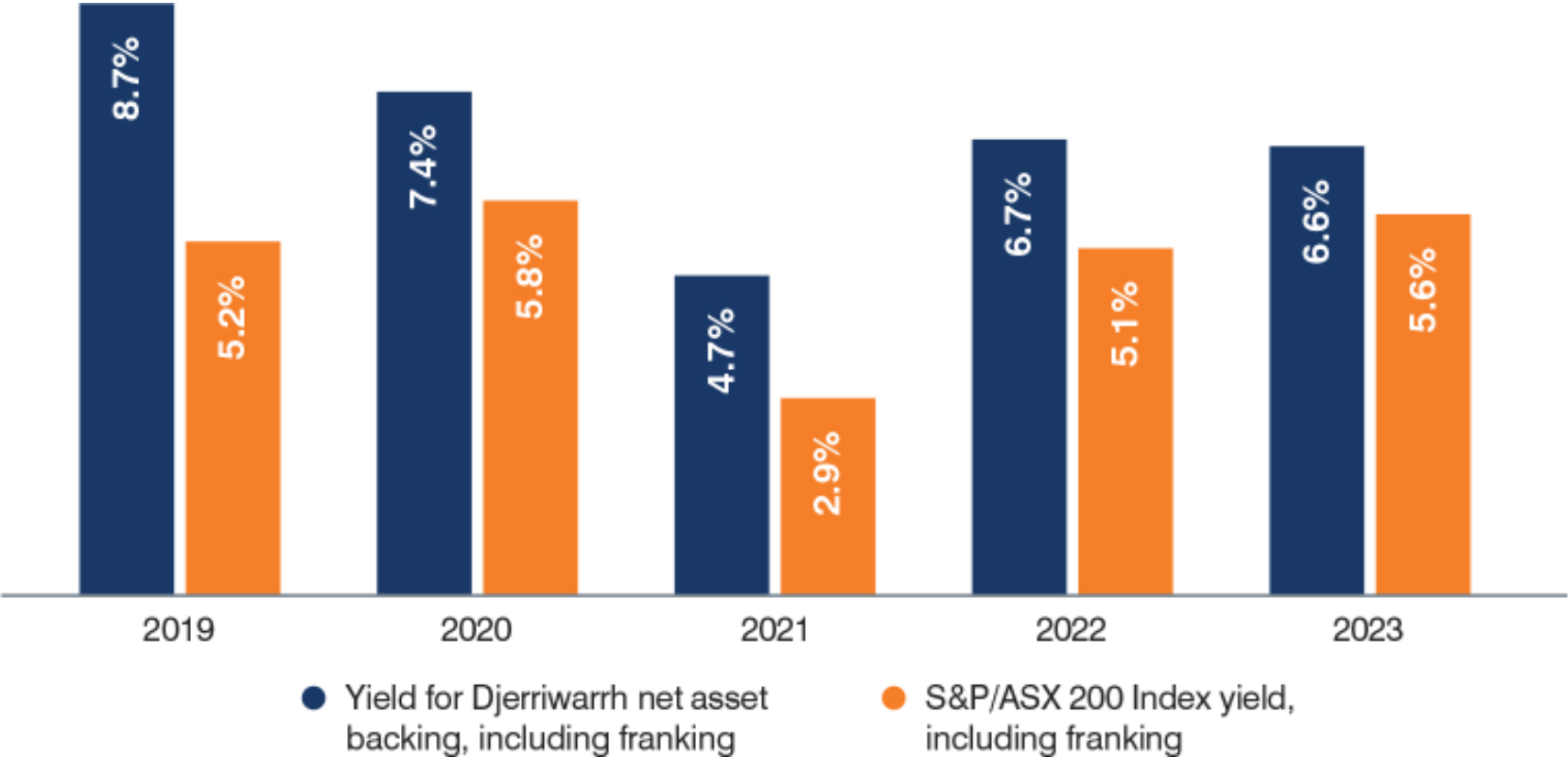
In this regard the primary investment goals are:

- to pay a higher level of fully franked dividend than is available from the market in general; and
- to provide attractive total return including capital growth over the medium to long term.

Djerriwarrh dividends paid - five year recap

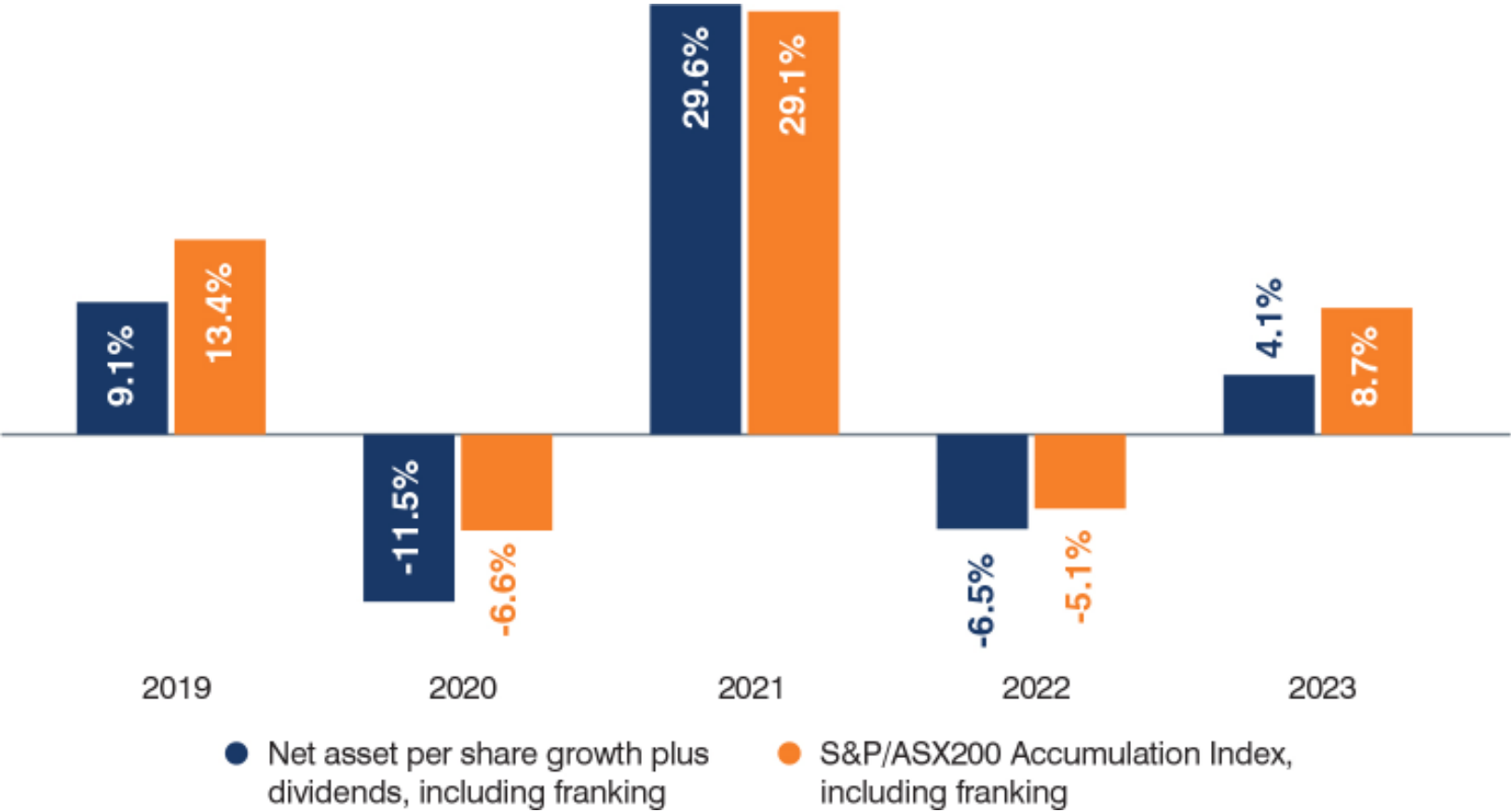


Djerriwarrh dividend yield vs the ASX 200 Index - five year recap



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. Financial years other than 2023 where figures for Djerriwarrh are based on the interim dividend and final dividend declared – in total 14.25 cents per share.

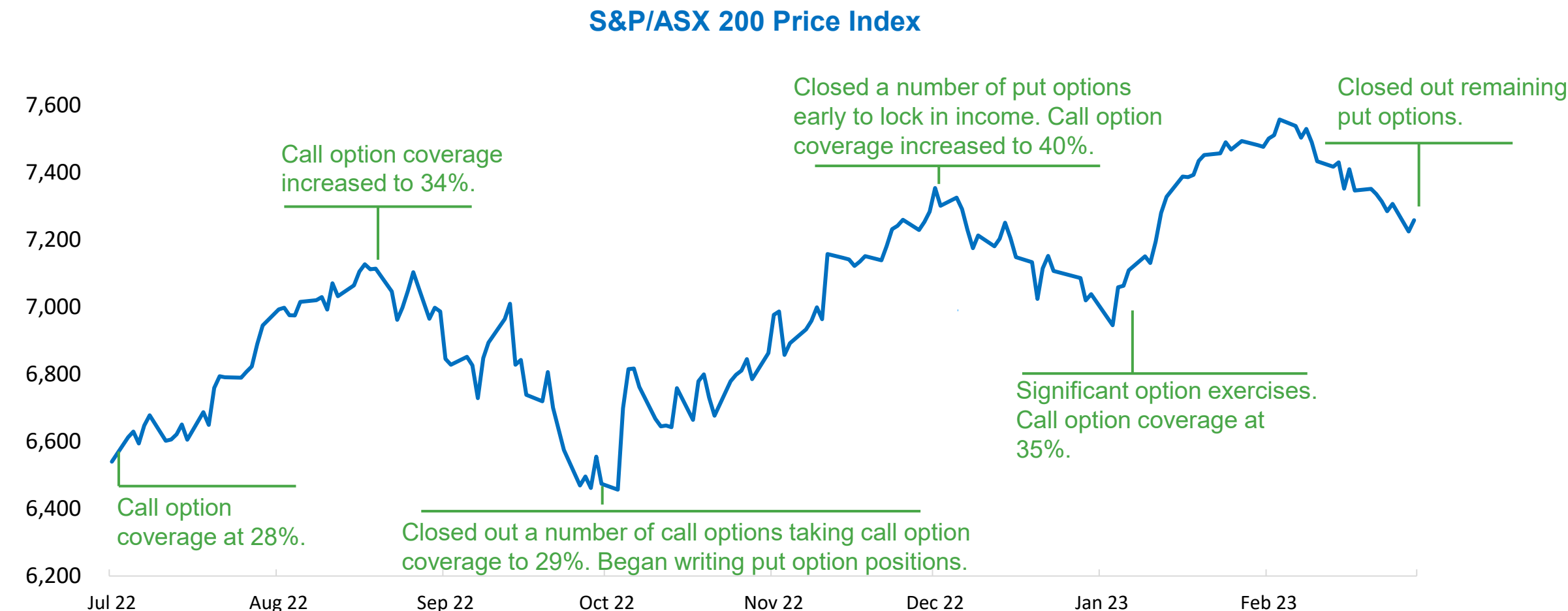
Djerriwarrh net asset backing performance - five year recap



Financial years other than 2023 which is 12 months to 28 February. Assumes an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.

Portfolio Update: Options

Options are written against selected portfolio holdings in order to generate additional income. The options strategy is a key component of Djerriwarrh's **Enhanced Yield** objective.



Portfolio Update: Summary

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

| | |
|--|-------------------------|
| \$851m | 48 |
| Portfolio Value* | Stocks in the Portfolio |
| 36% | 0% |
| Call Option Exposure | Put Option Exposure |
| \$3.10 | |
| Net Tangible Asset (NTA) Backing Per Share | |

Source: Based on 28 February 2023 Portfolio.
 * Portfolio Value is based on the Investment Portfolio plus the Trading portfolio, not including the Options portfolio.

Top 20 Holdings

| | | | |
|---|---|---|---|
|  |  |  |  |
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About Mirrabooka

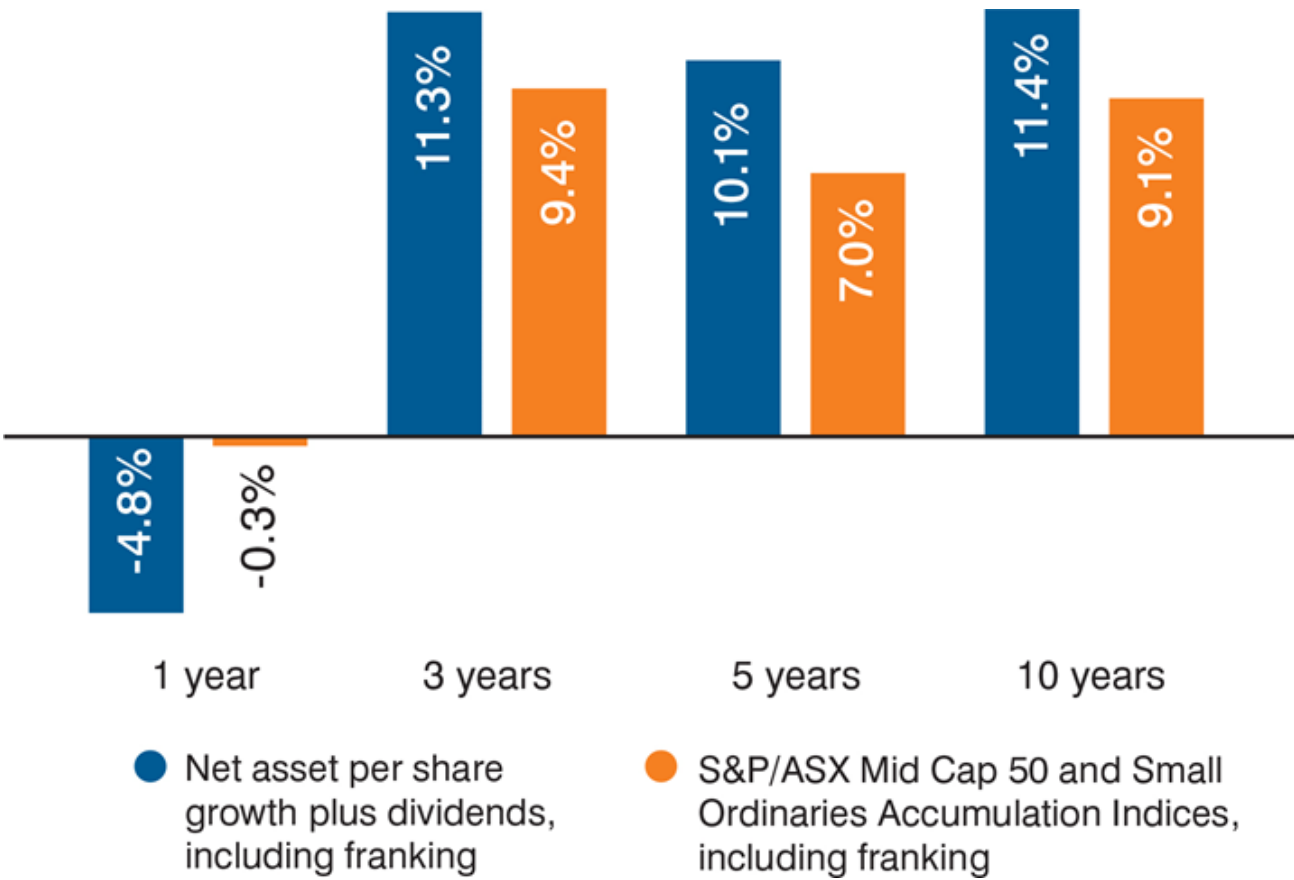
Mirrabooka is a listed investment company specialising in investing in small and medium-sized companies located within Australia and New Zealand. Our general definition of small and medium-sized companies is those companies which fall outside the S&P/ASX 50 Leaders Index.

Investment Objectives

The Company aims to provide medium to long term investment gains through holding core investments in selected small and mid-sized companies.

To provide attractive fully franked dividend returns.

Portfolio Performance – Per Annum Returns to 28 February 2023

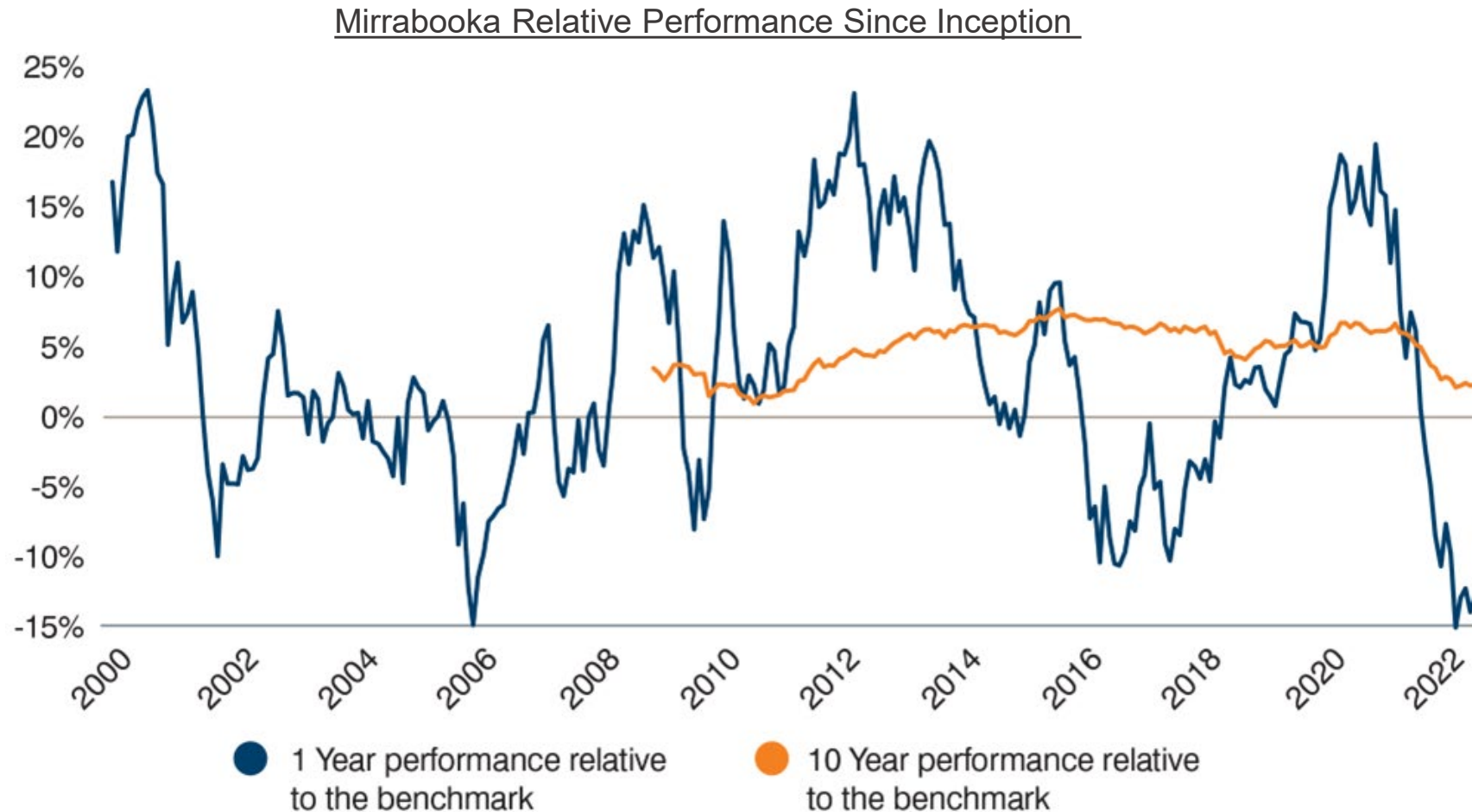


* Assumes an investor can take full advantage of the franking credits. Mirrabooka's portfolio return is also calculate after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.

Portfolio performance – long term relative to short term

Consistent with our approach, our long term performance track record is far more consistent than short term.



How are we responding to challenging market conditions?

- Portfolio decisions based on fundamentals, not economic predictions
 - forecasters are far more often wrong because circumstances change
 - we won't be able to predict, and will be late to identify, when pressures have eased
 - and the best long term investment opportunities will move sharply higher in price as they do
- Using higher interest rates (more in line with long term history) in value judgements when buying
- Staying long term in our views:
 - continuing to invest in interesting new opportunities
 - selling holdings for long term fundamental reasons, not based on short term risk

Recent portfolio changes

New






















Exited



Material reduction



Mirrabooka Top 20 Holdings – 28 February 2023

| | Company | % of Portfolio | Ownership Period | | Company | % of Portfolio | Ownership Period |
|-----|--|----------------|------------------|-----|---|----------------|------------------|
| 1 |  MAINFREIGHT | 5.7% | 7.5 yrs | 11 |  Equity Trustees | 2.6% | 17.5 yrs |
| 2 |  macquarie TELECOM GROUP | 4.9% | 6 yrs | 12 |  AUB GROUP | 2.5% | 17 yrs |
| 3 |  ARB | 4.2% | 12.5 yrs | 13 | Breville | 2.5% | 5.5 yrs |
| 4 |  carsales | 3.6% | 6.5 yrs | 14* |  REA Group | 2.4% | 3 yrs |
| 5* |  Fisher & Paykel HEALTHCARE | 3.0% | 9 yrs | 15 |  eagers automotive | 2.3% | 9 yrs |
| 6* |  netwealth | 3.0% | 5.5 yrs | 16 |  PEXA | 2.1% | 2 yrs |
| 7 |  ALS | 2.9% | 17 yrs | 17* |  Pinnacle | 2.1% | 3.5 yrs |
| 8* |  reece | 2.8% | 16.5 yrs | 18 |  JamesHardie | 2.0% | 4.5 yrs |
| 9* |  Auckland Airport | 2.7% | 3 yrs | 19 |  OZ Minerals | 2.0% | 4.5 yrs |
| 10* |  ResMed | 2.6% | 12 yrs | 20 |  HUB 24 | 2.0% | 8 yrs |

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



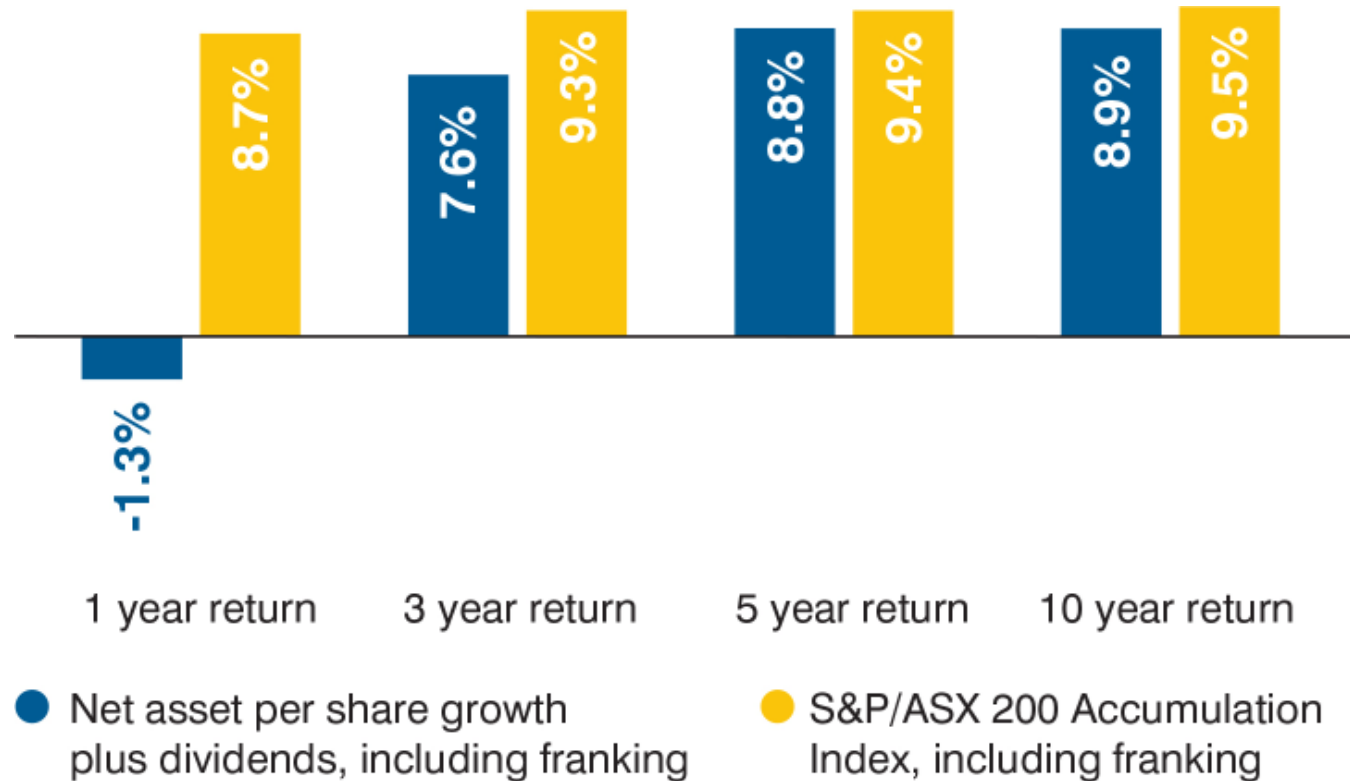
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

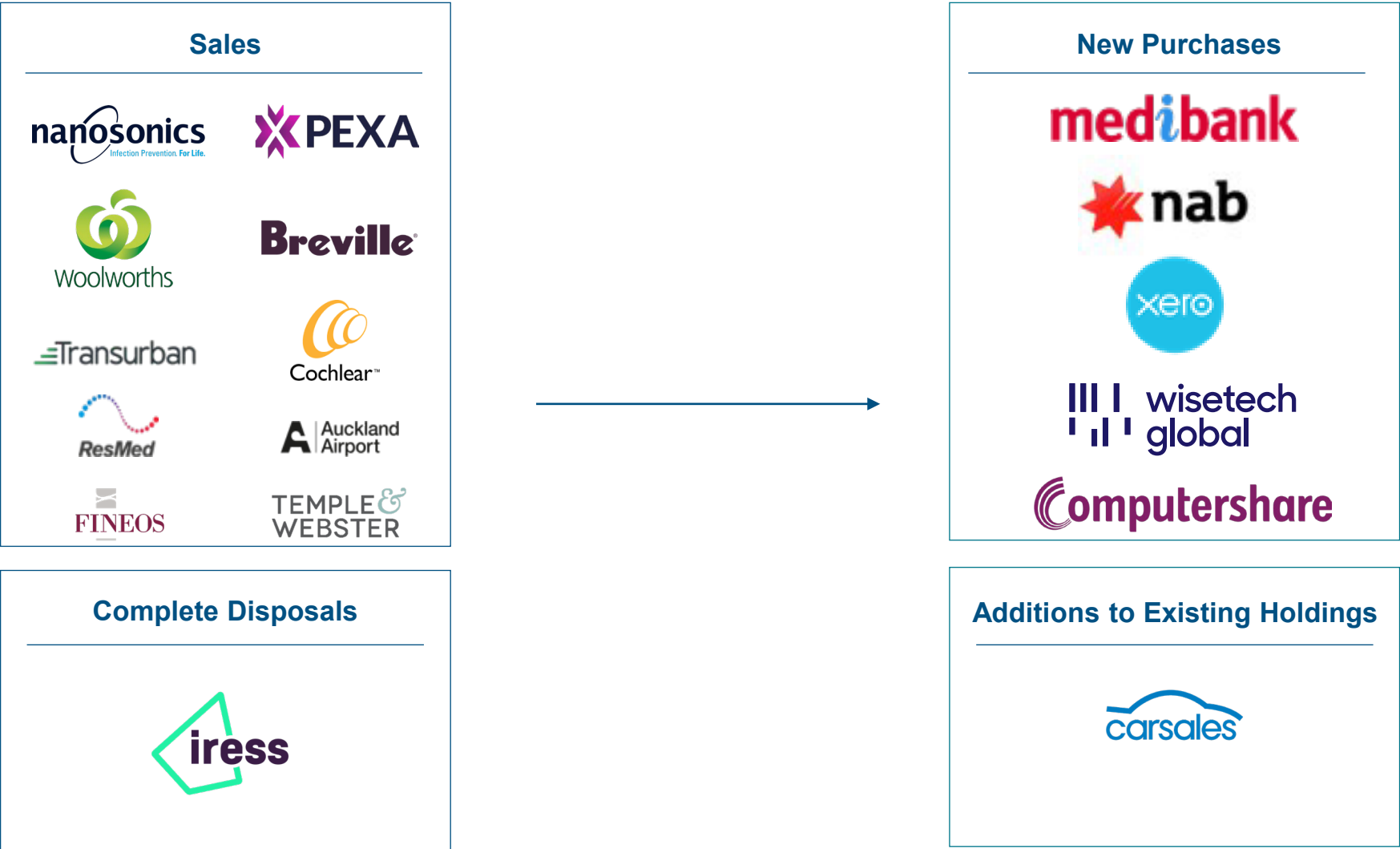
Portfolio Performance – Per Annum Returns to 28 February 2023*



* 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.

Past performance is not indicative of future performance.

Portfolio Management – Recent Transactions



New Purchases



- Market leader/stalwart.
- Well capitalised, strong cash generation and solid dividend yield and option income.
- Established a position during recent share price weakness.



- Preferred bank exposure (alongside CBA).
- Backable management team.
- Attractive fully franked dividend yield and option income.
- Established a position during recent share price weakness.



- High-quality business with a scalable model.
- Recent cost-out initiatives (implemented by new CEO) highlight a focus on balancing growth and profitability.
- Established small position, seeking better value to build.

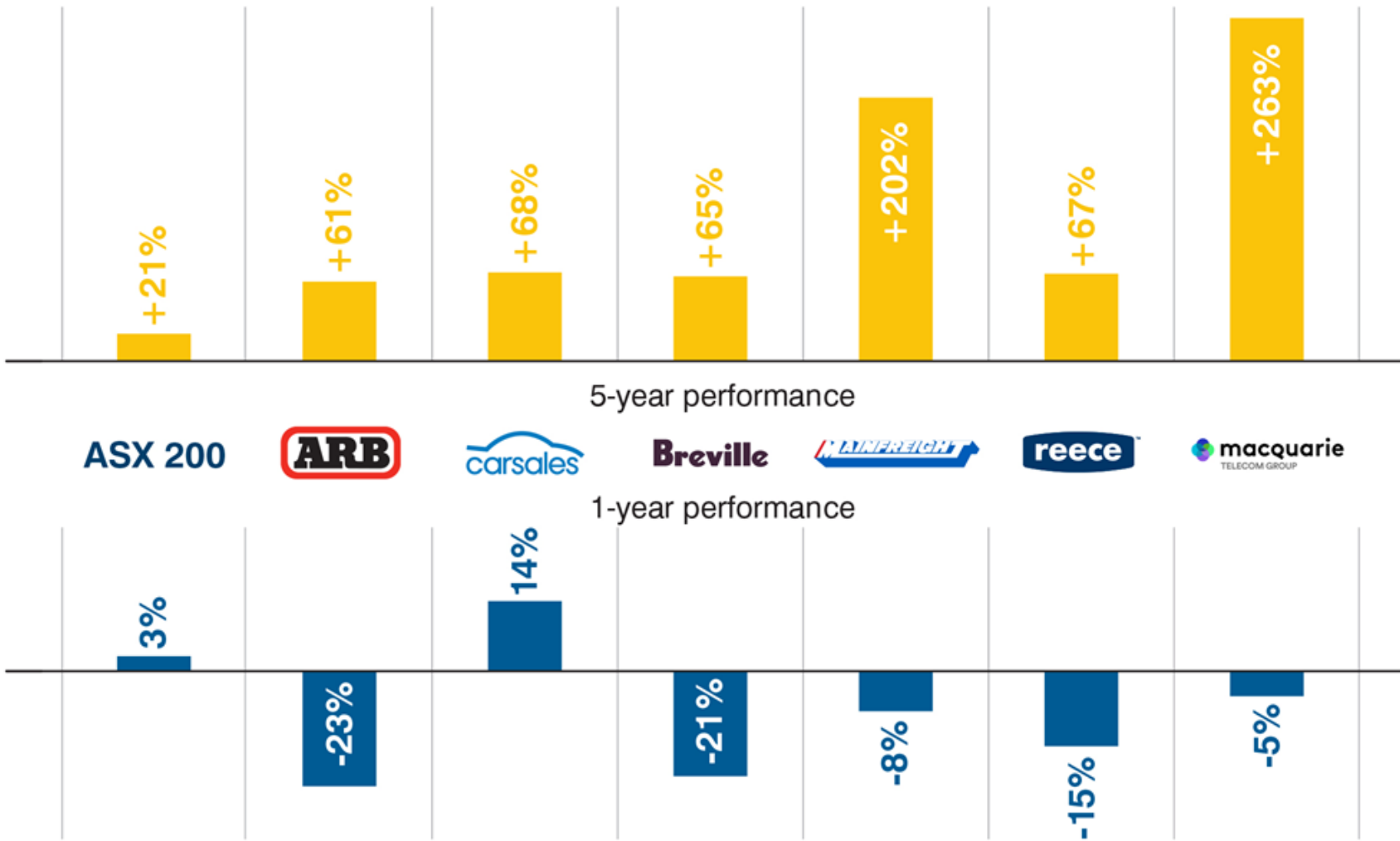


- Market leader solving complexity for freight forwarding customers.
- Owner-driver management team.
- Established small position, seeking better value to build.



- Market leader/stalwart with cyclical elements.
- Have refocused on core business.
- Established a position during recent share price weakness.

AMCIL key holdings – A longer term context against recent falls



Returns to 28 February 2023, do not include dividends and franking

We remain confident about the quality of companies in AMCIL's Top 20 Holdings

| Rank | Company | % of Portfolio |
|------|-----------------------------|----------------|
| 1 | CSL* | 11.3% |
| 2 | Macquarie Group | 6.3% |
| 3 | BHP* | 6.0% |
| 4 | Wesfarmers* | 5.8% |
| 5 | Transurban Group | 5.8% |
| 6 | Mainfreight | 5.7% |
| 7 | Westpac Banking Corporation | 4.2% |
| 8 | Goodman Group | 4.0% |
| 9 | Woolworths Group | 3.6% |
| 10 | James Hardie Industries | 3.6% |

| Rank | Company | % of Portfolio |
|------|--------------------------------|----------------|
| 11 | Carsales.com* | 3.2% |
| 12 | ResMed | 3.0% |
| 13 | Macquarie Telecom Group | 3.0% |
| 14 | Auckland International Airport | 2.7% |
| 15 | EQT Holdings | 2.6% |
| 16 | ARB Corporation | 2.6% |
| 17 | Commonwealth Bank of Australia | 2.4% |
| 18 | Netwealth Group | 2.3% |
| 19 | Medibank Private* | 2.2% |
| 20 | Reece | 1.9% |

As at 28 February 2023.

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

The background of the slide is a dark blue, textured surface. It is decorated with several light trails and geometric shapes. In the top-left corner, there are bright yellow and orange light trails. In the top-right corner, there is a bright blue light trail. In the bottom-left corner, there are red and orange light trails. In the bottom-right corner, there is a red light trail. A white rectangular shape is visible in the top-right corner, and a white rectangular shape is visible in the bottom-right corner.

Outlook

Outlook

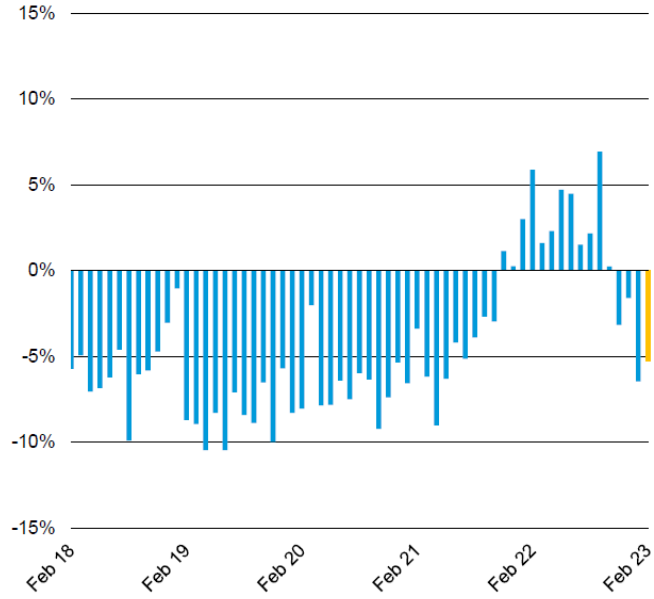
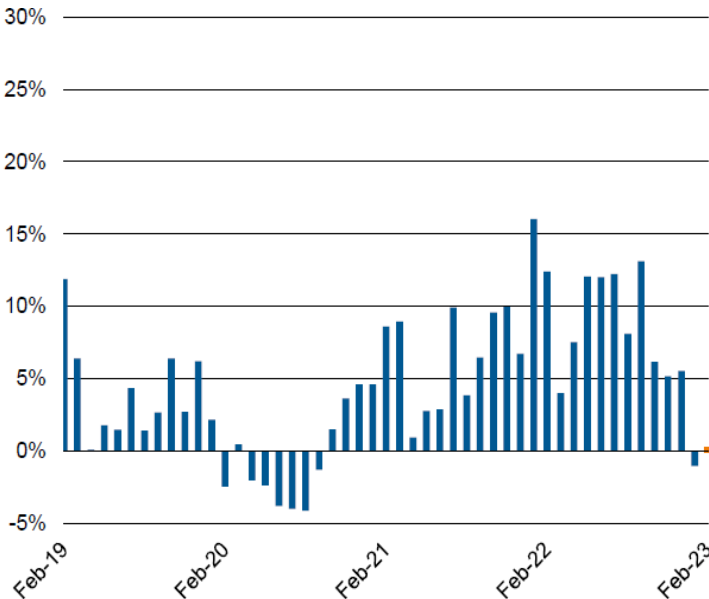
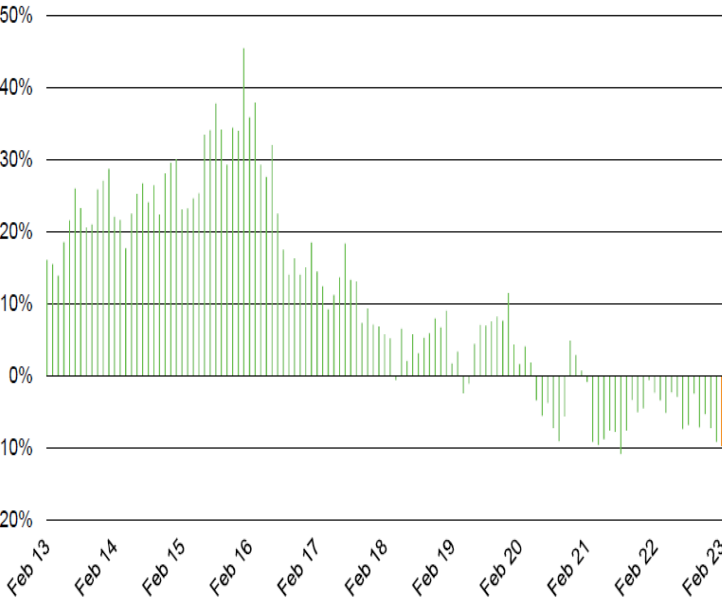
We are cautious due to:

- A challenged economic outlook while central banks continue to battle elevated inflation with higher interest rates
- Company valuations that remain relatively high compared to returns now available on competing investments like term deposits
- Geopolitical risk factors remain uncertain ranging from the war in Ukraine to the outlook for China

But we continue to believe in:

- ✓ The superior long term returns available from a well selected portfolio
- ✓ The ability of our diversified portfolios to weather challenging conditions
- ✓ Share prices are driven by earnings growth in the long term

Share Price Relative to Net Asset Backing – 28 February 2023



Questions

