



25 August 2022

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**Djerriwarrh Investments Limited
Statutory Annual Report, Annual Shareholder Review and
Annual General Meeting Documentation**

Dear Sir / Madam

Please find attached the 2022 Statutory Annual Report, Annual Shareholder Review and Annual General Meeting Documentation being sent to shareholders.

Yours faithfully

Matthew Rowe
Company Secretary

Authorised by the Company Secretary



Annual Report
2022



DJERRIWARRH INVESTMENTS LIMITED IS A LISTED INVESTMENT COMPANY 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.

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Year in Summary

2022

Profit for the Year

\$44.5m

Up 45.9 per cent from 2021

Net Operating Result

\$40.4m

Up 29.3% from 2021

Fully Franked Dividend

7.0¢

Final

13.75¢

Total

11 cents total in 2021

Portfolio Dividend Yield

6.7%

Including franking*

S&P/ASX 200 Index Yield 5.1% (grossed up for franking credits)

Management Expense Ratio

0.45%

0.45% in 2021

Total Portfolio Return

-6.5%

Including franking*

S&P/ASX 200 Accumulation Index including franking* -5.1%

Total Portfolio

\$783.0m

Including cash at 30 June. \$839.8 million in 2021

* Assumes a shareholder can take full advantage of the franking credits.

DIRECTORS' REPORT

5 Year Summary

Net Profit After Tax (\$ Million)

| | |
|------|------|
| 2022 | 44.5 |
| 2021 | 30.5 |
| 2020 | 32.9 |
| 2019 | 34.3 |
| 2018 | 31.4 |

Net Operating Result (\$ Million)

| | |
|------|------|
| 2022 | 40.4 |
| 2021 | 31.3 |
| 2020 | 28.1 |
| 2019 | 37.6 |
| 2018 | 36.0 |

Dividends Per Share (Cents)^(a)

| | |
|------|-------|
| 2022 | 13.75 |
| 2021 | 11 |
| 2020 | 14 |
| 2019 | 20 |
| 2018 | 20 |

Notes

(a) All dividends were fully franked. For 2021 the final dividend carried attributable LIC gain of 1.43 cents per share. For 2020 nil. For 2019 the final dividend carried attributable LIC gain of 4.29 cents per share and the interim dividend carried an attributable LIC gain of 7.14 cents per share. For 2018 the dividend carried attributable LIC gain of 14.28 cents per share.

(b) Excludes cash.

(c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

**Investments at Market Value
(\$ Million)^(b)**

| | |
|------|-------|
| 2022 | 781.5 |
| 2021 | 838.6 |
| 2020 | 678.7 |
| 2019 | 786.0 |
| 2018 | 758.5 |

**Net Asset Backing Per Share
(Cents)^(c)**

| | |
|------|-----|
| 2022 | 295 |
| 2021 | 332 |
| 2020 | 270 |
| 2019 | 331 |
| 2018 | 331 |

**Number of Shareholders
(30 June)**

| | |
|------|--------|
| 2022 | 16,546 |
| 2021 | 16,797 |
| 2020 | 17,301 |
| 2019 | 17,554 |
| 2018 | 18,087 |

About the Company

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.

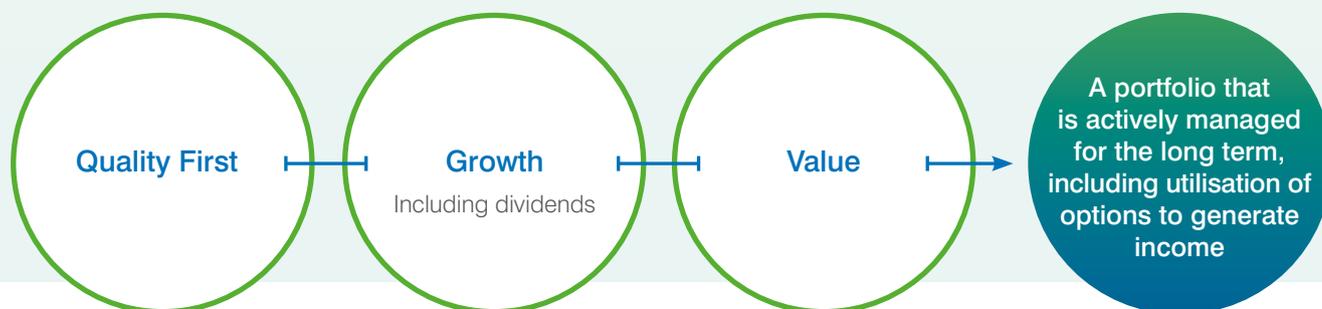
Investment Objectives

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.

How Djerriwarrh Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

The investment philosophy is built on taking a medium to long term view on holding positions in the portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this time frame.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry are also an important indicator of quality.

Linked to the assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

The view of value of a company is not just based on short term measures of the price earnings ratio and other valuation metrics; rather, value is assessed against our long term investment horizon.

The final component of Djerriwarrh's ability to pay a higher yield is its approach to selling options over part of its investment and trading portfolios. This generates current income from the option premium Djerriwarrh receives for selling the options.

The amount that the Company receives from selling options depends on a number of factors:

- level of volatility in share price anticipated for the underlying stock;
- level of the option exercise price and particularly how far it is from the current share price;
- time to expiry, i.e. how far the option has to run;
- level of interest rates: the lower interest rates are, other things being equal, the lower the option premium received; and
- the percentage of the portfolio over which we are prepared to sell options.

It is our preference for the options to either lapse at expiry or, prior to exercise, to seek to buy the options back and sell new options further out and preferably at a higher exercise price. From time to time, where the share price increases strongly, we do take decisions to allow the shares to be

exercised when we have formed the view that it is economic to allow that to occur. Gains or losses on disposals of investments upon the exercise of such options, after applicable tax, are taken to the realised capital gains reserve. Any gains when taxed are available for distribution to shareholders as fully franked dividends. It should be noted option positions are monitored daily and the portfolio is managed to try and maintain an appropriate balance between capital growth and income generation.

Djerriwarrh also has access to lines of credit, which allows the Company to gear its balance sheet when appropriate investment returns are available to enhance shareholder returns.

When it is appropriate, exposure to rising interest rates is also capped.

Approach to Environmental, Social and Governance (ESG) Issues

Environmental, Social and Governance (ESG) issues are taken into account as part of our investment process when assessing companies. 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 given the potential for these factors to impact investment performance. We are also closely monitoring the development of international standards for ESG reporting as these may further inform our approach going forward.

We regularly review and meet with companies to ensure ongoing alignment of ESG issues with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.

As reporting becomes more standardised, assessment of commitments and plans by companies to reach net zero by 2050 will also be considered having regard to the industry in which it operates, their progress against these plans and their broader contribution to social good in addressing the challenge of reducing global carbon emissions. In applying

external data for benchmarking*, the current carbon intensity of Djerrirwarh's portfolio is considerably less than the S&P/ASX 200 Index.

- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. Where appropriate, we consider a range of matters including safety, diversity and modern slavery as part of the investment process.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

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 take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio. Our voting record is on the Company's website.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests. We acknowledge that high-quality companies may face ESG challenges. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

* Data provided by ISS ESG. Portfolio at 30 June 2022.

Review of Operations and Activities

Profit

The full year profit was \$44.5 million, up from \$30.5 million in the previous corresponding period. The profit to 30 June 2022 includes a dividend of \$6.5 million (which was non-cash but carries franking credits with it) resulting from the BHP Petroleum/Woodside merger. Last year's figure included a demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths. Excluding both one-offs, the full year profit for the financial year to 30 June 2022 was \$38.0 million, up from \$24.2 million in the previous corresponding period.

Key components of the result were:

- income from investments, up from \$28.0 million last year to \$37.2 million this financial year; and
- income from option activity was \$12.5 million, slightly ahead of the corresponding period last year of \$12.1 million.

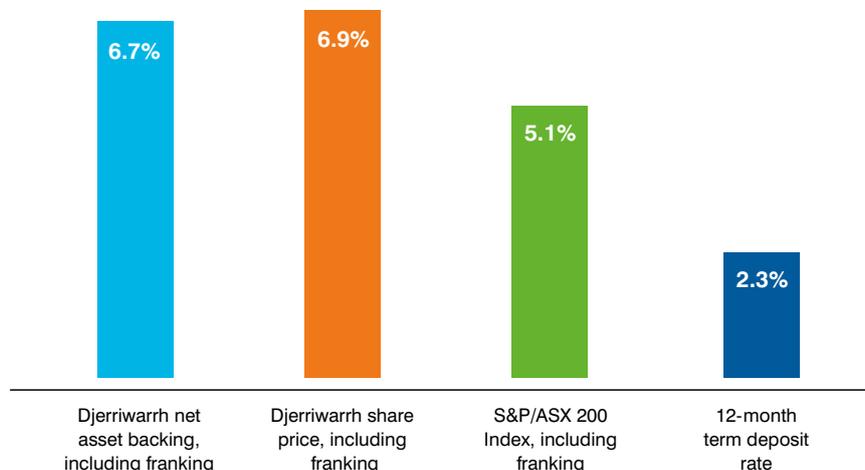
Net operating result (which excludes the impact of open option positions and is considered a better measure of the Company's income from its investment activities and is the figure Directors consider when setting the dividend) was \$40.4 million. Excluding the merger dividend, this figure is \$33.9 million. The figure for the net operating result for the prior corresponding period last year was \$31.3 million. Excluding the demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths last year's figure was \$25.0 million.

Dividend

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index, and which is delivered at a low cost to shareholders. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The level of dividend declared each period is determined by taking into consideration the net operating result (which is made up of the dividends

Figure 1: Yield at 30 June 2022 (Based on the Interim Dividend Paid and Final Dividend Declared)



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

Figure 2: Performance of S&P/ASX 200 Price Index

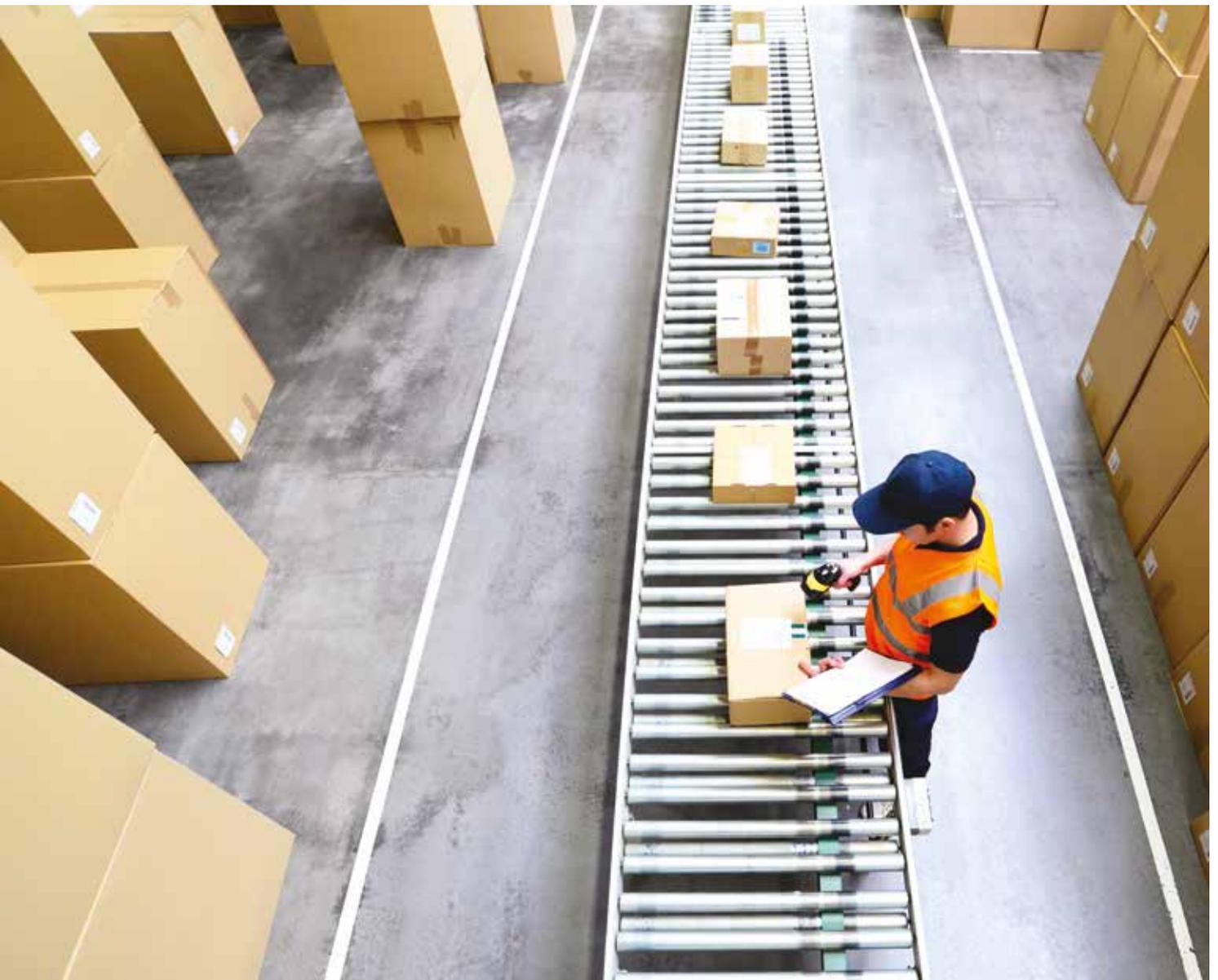


received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the net operating result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The net operating result per share for the 12 months to 30 June 2022 (excluding the BHP Petroleum/Woodside merger dividend) was 14.3 cents per share, up from 10.9 cents per share in the

corresponding period last year (excluding the Endeavour Group non-cash demerger dividend).

Directors have declared a final dividend of 7.0 cents per share, up 21.7 per cent from 5.75 cents per share fully franked for the corresponding period last year, bringing total dividends for the year to 13.75 cents per share fully franked. Total dividends for the corresponding period last year were 11.0 cents per share fully franked. Total dividends for the year have increased 25.0 per cent over last financial year.



Based on the total dividend for the year, the dividend yield on the net asset backing at 30 June 2022 was 4.7 per cent and 6.7 per cent, grossed up for franking credits (assuming a shareholder can take full advantage of the franking credits). Based on the net asset backing and including franking, this represents a yield 1.6 percentage points higher than that available from the S&P/ASX 200 Index. Based on the share price of \$2.86 (at 30 June 2022), the yield was 4.8 per cent and 6.9 per cent, grossed up for franking.

Market and Portfolio Performance

The Australian equity market remained buoyant in the first half of the 2021/2022 financial year as low interest rates and increased economic activity following the COVID-19 pandemic provided a supportive backdrop to the market.

The equity market then fell sharply at the start of the 2022 calendar year as the threat of higher inflation and increased interest rates became more apparent as supply chains become strained and energy prices increased. As global central banks continued to raise rates more

aggressively over the remainder of the 2021/2022 financial year the S&P/ASX 200 Accumulation Index returned negative 6.5 per cent for the 12 months to June 2022, with a strong divergence of performance across sectors.

Utilities and Energy were the standout sectors, returning 36.0 per cent and 30.1 per cent respectively. Information Technology and Consumer Discretionary were the worst performing sectors for the financial year, down 38.2 per cent and 20.9 per cent respectively.

Review of Operations and Activities

continued

Djerriwarrh's total portfolio return, including franking, for the 12 months to 30 June 2022 was negative 6.5 per cent. This was slightly below the S&P/ASX 200 Accumulation Index, including franking, of negative 5.1 per cent.

Some of the best performing stocks held in the Djerriwarrh portfolio included Woodside Energy, Sydney Airport, Computershare and Atlas Arteria. In contrast Temple & Webster, FINEOS Corporation, Domino's Pizza Enterprises and Reece substantially underperformed.

Portfolio Adjustments

We continue to focus on constructing a portfolio that will deliver a suitable balance between short term income yield and long term growth in capital and income. We also have to be prepared to reinvest potential sizeable option exercise proceeds which typically occur in rising markets at appropriate times.

Major purchases for the 12-month period focused on high-quality companies that we have assessed as being able to deliver the right mix of income and growth for the portfolio. As a result, significant increases were made to existing holdings in companies such as Westfarmers, James Hardie, Commonwealth Bank, BHP, Macquarie Group and Coles Group. A number of new stocks were also added to the portfolio. This included positions in JB Hi-Fi, REA Group, Domino's Pizza Enterprises, SCA Property Group and Cochlear. The holding in Oil Search switched to Santos as a result of the merger of the two companies.

Major sales from the portfolio were largely a result of call option exercises. This included positions in Macquarie Group, National Australia Bank, Woolworths Group, ASX and BHP. We reduced our positions in Amcor and Brambles (some were sold because of the exercise of call options), and Woodside, and completely exited a number of holdings including Sydney Airport (as a result of a takeover), APA Group, Endeavour Group, AUB, Origin Energy, Alumina and Orica.

At 30 June 2022, the investment portfolio comprised holdings in 52 ASX and NZX listed companies with a total market value of \$783.9 million.

Figure 3: Key Sector Performance for the 12 months to 30 June 2022

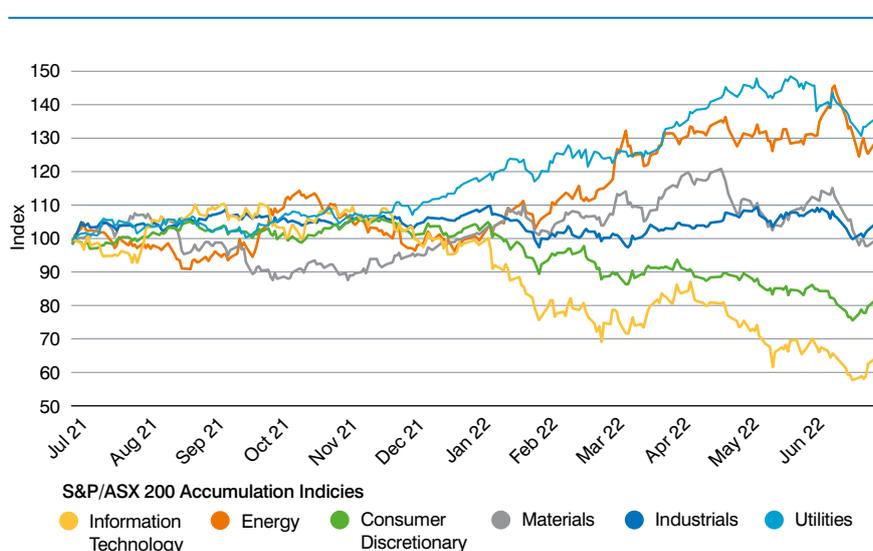
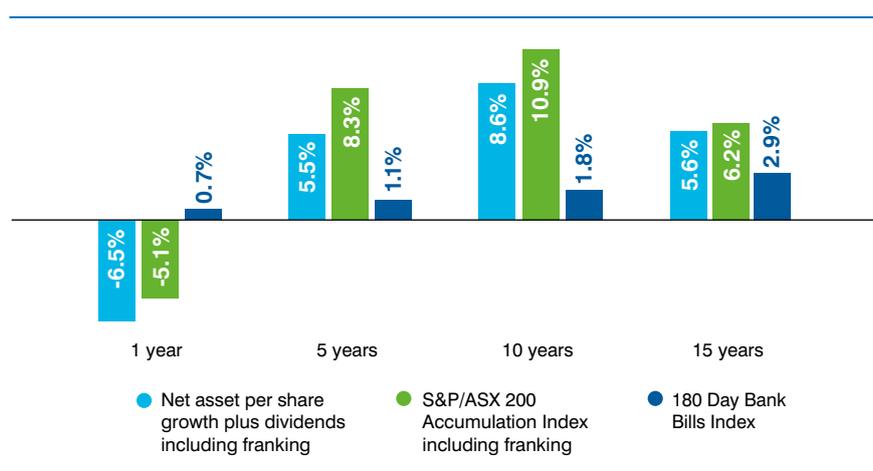


Figure 4: Portfolio Performance to 30 June 2022 – Per Annum Returns, Including the Benefit of Franking Credits*



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

Note: Djerriwarrh's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax paid on realised sales of investments. It should be noted that Index returns for the S&P/ASX 200 do not include management expenses and tax.

Djerriwarrh utilises debt to take advantage of returns from investment opportunities on offer. At 30 June 2022, the Company had \$89.0 million of debt with a cash or near cash position of \$5.1 million.

Market Dividends

At the market level, ASX 200 dividends were higher overall for the 12 months to 30 June 2022 as compared to the previous 12-month period. This was largely driven by BHP, which continues to benefit from higher iron ore prices.

Each of the four major banks: ANZ, Commonwealth Bank, National Australia Bank and Westpac were also strong contributors. The banks benefited from the unwinding of impairment provisions taken during the early days of the pandemic, which proved to be overly conservative given the subsequent strong economic growth in Australia. Dividends from other large industrial companies were mixed. CSL saw good dividend growth, Coles Group was slightly up, Telstra was flat, and ASX and Carsales.com were slightly down.

At the Company level, Djerriwarrh's dividend and distribution income, excluding non-cash merger/demerger dividends was up 41.5 per cent to \$30.7 million. The strength in dividends from BHP and the banks was the key driver of this. Figure 5 shows the top 10 contributors to Djerriwarrh's dividend and distribution income in the financial year for 2021/2022 excluding merger dividends.

In terms of dividend yield, Djerriwarrh's dividend and distribution income (excluding non-cash merger/demerger dividends) equated to a yield of 3.9 per cent (measured using 30 June 2022 portfolio value). The dividend yield of the S&P/ASX 200 Index was also 3.9 per cent on an equivalent basis, but including non-cash merger dividends. The five-year performance of these metrics is shown in Figure 6.

Figure 5: Profile of Dividend Income Received in Financial Year 2022 by Holding

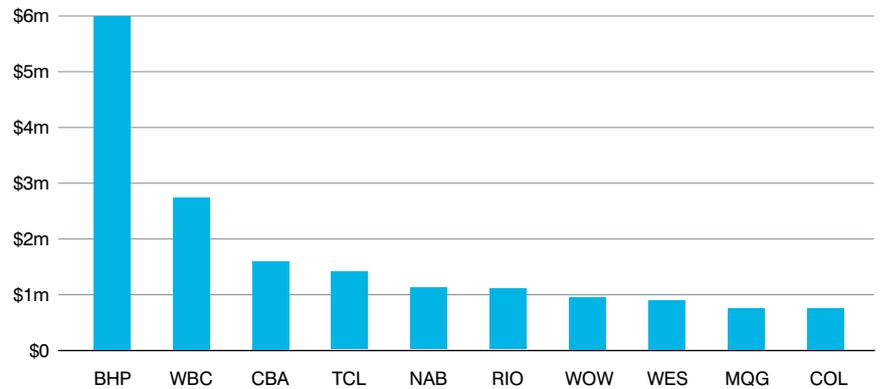
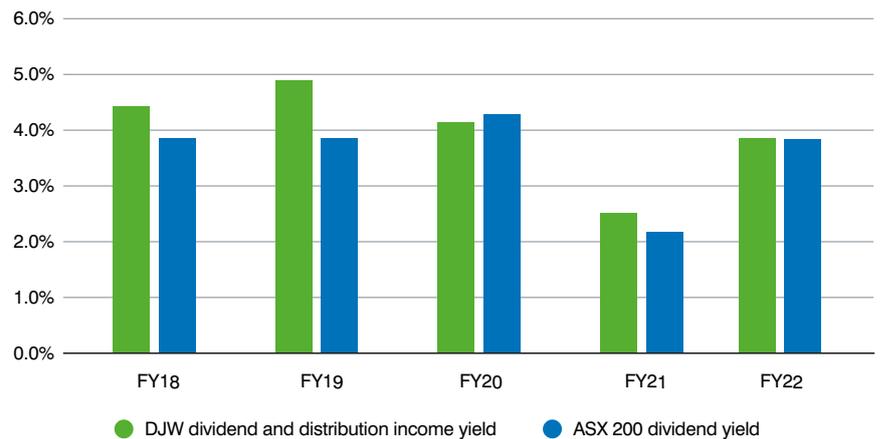


Figure 6: Dividend and Distribution Income Yield for Djerriwarrh Versus the ASX 200



Review of Operations and Activities

continued

Option Activity

This year's option income result was pleasing, especially given the low level of volatility that prevailed for much of the period (Figure 7).

Volatility was low between July 2021 and December 2021, before spiking in January 2022 during the equity market sell-off. It finished the year at an elevated level reflecting the equity market's concerns around interest rates and economic growth.

For the 12 months to June 2022 equity market volatility averaged 14.2 per cent, which was down on previous two financial years (Figure 8).

Djerriwarrh's option income was up 3.3 per cent to \$12.5 million. Selling call options contributed the majority of our overall option income at \$11.8 million.

Some of the key moves in Djerriwarrh's average portfolio call option coverage of the portfolio saw high coverage (40 per cent) in August and September 2021 when the market was also at a high level. This allowed us to lock in significant profits in the resulting market sell off as we closed many 'out of the money' positions.

When the market was significantly lower in February and March 2022, our call option coverage was also much lower at 25 per cent. This enabled us to preserve some upside to capital growth when the market temporarily rebounded in April and May 2022, by which time our call option coverage had increased to 30 per cent. Call option coverage finished the financial year at 28 per cent (Figure 9).

Selling put options also contributed \$0.7 million to our overall option income. We were not exercised on any of these put positions which was a good outcome.

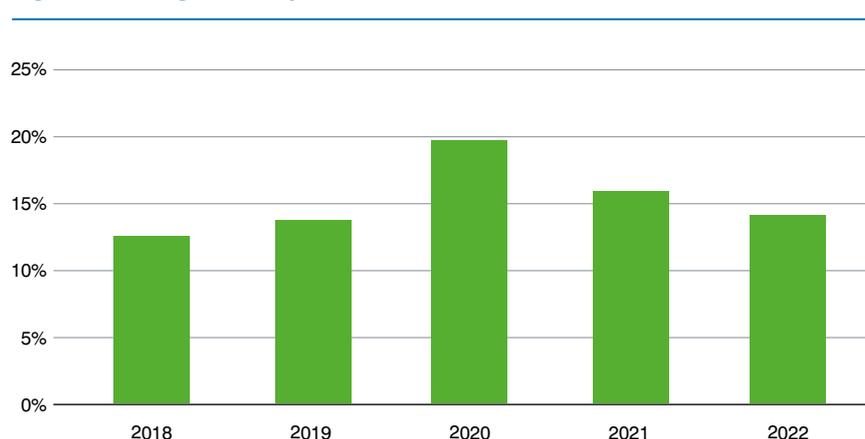
Share Price

The share price traded at a discount of 3 per cent to net asset backing at 30 June 2022. This is in contrast to the discount of 8 per cent that was evident at 30 June 2021 (Figure 10).

Figure 7: Volatility of the Market for the Financial Year



Figure 8: Average Volatility of the Market for the Last Five Financial Years



Outlook

Equity market conditions have changed dramatically from the beginning of this calendar year. There has been a significant downward repricing of equities, which have been a beneficiary of record low interest rates for much of the post-2008 financial crisis era. The risk of tighter monetary policy tipping major economies, especially the United States, into recession is now an extra concern weighing on the share market.

As a result, the company reporting season in Australia takes on even greater importance. Equity valuations have come down as a result of economic conditions, but market earnings estimates have not reduced much. There is a risk of reported results and outlook statements disappointing, with lower revenue and higher costs a real possibility, which

would make profit and dividend growth harder to deliver for many companies.

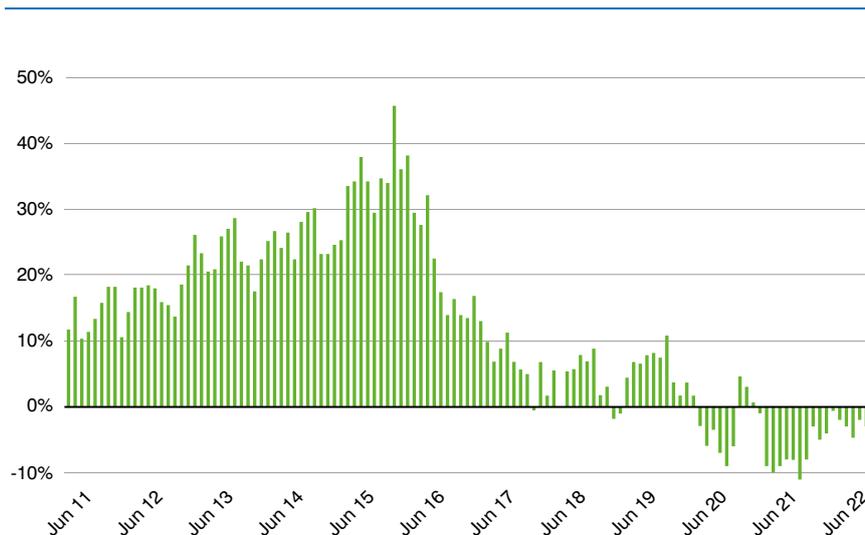
We think this is most relevant for industrial companies, as we see banks and diversified financial companies as being relatively well placed for the next 12 months. In the case of resources, we expect strong dividends in the first half of the 2022/2023 financial year, but potentially reducing at some point thereafter when commodity prices such as iron ore and oil revert towards long term price assumptions.

Under these circumstances, the outlook for Djerriwarrh's dividend and distribution income for the 2022/2023 financial year remains uncertain, and we expect to be in a better position to assess this post the Australian profit reporting season.

Figure 9: Option Coverage as a Percentage of the Portfolio



Figure 10: Share Price Premium to Net Asset Banking



In terms of our option income, recent higher equity market volatility levels, as well as higher interest rates, are a positive for option premiums and hence the ability to earn option income as a seller of call and put options. Balancing this out somewhat is the likelihood that we will have lower call option coverage if the market remains at these lower levels compared to last year.

The current positioning of the options book is encouraging. Only a small amount of our option positions are currently 'in the money', which is positive in terms of our ability to earn option income and deliver attractive portfolio returns. In addition, a good amount

of premium has already been written for the 2022/2023 financial year. However, the value of these positions can change quickly and significantly in response to major market moves. This means daily active management of the options portfolio remains a key part of our investment process.

Irrespective of market conditions over the next 12 months, we believe that the current portfolio settings and positioning should enable Djerriwarrh to achieve its objectives of delivering an enhanced level of fully franked income above the market and an attractive total return over the long term.

Directorship Matters

Mr John Paterson, the Chairman of the Company has advised that he will retire at the conclusion of the Annual General Meeting to be held on 13 October 2022.

Mr Paterson has been a Director since 2002, appointed deputy Chairman in September 2009 and Chairman since October 2013. The Board wishes to record its deep thanks to Mr Paterson for his invaluable contribution to the Board deliberations over the last 20 years. His deep understanding of the investment industry has been of outstanding value to the Board, Executives and shareholders of Djerriwarrh Investments Limited.

Mr Graham Goldsmith has been elected as the Chairman with effect from the conclusion of the Annual General Meeting on 13 October 2022. Mr Goldsmith has been an independent Non-Executive Director since April 2013 and was appointed Deputy Chairman in May 2020. He is a member of the Company's Investment and Nomination Committees and is a Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited.

He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a Panel Member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.

Mr Geoffrey Roberts has been appointed as a Non-Executive Director of the Company, effective 20 July 2022.

Mr Roberts has over 35 years finance experience, including as Group Chief Financial Officer of Seek Limited, Managing Partner of Deloitte Victoria, and as Group Chief Financial Officer of AXA Asia Pacific for seven years. Mr Roberts was appointed to the Board of JB Hi Fi Limited in January 2021 and the Melbourne Cricket Club Committee in March 2019 and was formerly a Director of AMP Limited.

He holds an Executive MBA from the Australian Graduate School of Management and is a Fellow of both the Institute of Chartered Accountants and the Australian Institute of Company Directors.

Review of Operations and Activities

continued

We are delighted to welcome Mr Roberts to the Board. The broad range of experience he has across a range of sectors will be of significant value to our discussions and his depth of understanding in senior executive leadership roles will complement the Board's existing mix of skills and experience. Mr Roberts will stand for election at the upcoming Annual General Meeting of the Company.

Share Purchase Plan

At 30 June 2022, Djerriwarrh was fully invested. Given expected opportunities in the market a Share Purchase Plan (SPP) was announced to provide additional funds for the portfolio. Details were sent to shareholders on 26 July 2022, with the SPP offer closing on 18 August 2022. The outcome of the SPP was announced separately via the ASX.

Capital Changes

Under the Company's Dividend Reinvestment Plan, 420,377 shares were issued in August 2021 at a price of \$3.10 per share and 557,534 shares were issued in February 2022 at a price of \$3.12 per share.

Under the Company's Dividend Substitution Share Plan, 26,887 new shares were issued at nil cost in August 2021 and 36,294 new shares were issued at nil cost in February 2022.

On the 9 August 2021 10,925,839 DJWN Shares, issued under the 2021 SPP converted to DJW shares.

At the close of the year the Company had 237.2 million shares on issue.

Dividends

A final fully franked dividend of 7.0 cents per share has been declared (2021: 5.75 cents).

The dividends paid during the year ended 30 June 2022 were as follows:

| | \$'000 |
|--|---------------|
| Final dividend for the year ended 30 June 2021 of 5.75 cents fully franked at 30 per cent paid 27 August 2021 | 13,179 |
| Interim dividend for the year ended 30 June 2022 of 6.75 cents per share fully franked at 30 per cent, paid 23 February 2022 | 15,855 |
| | 29,034 |

Listed Investment Company Capital Gains

Listed Investment Companies (LIC) which make capital gains on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount which some shareholders are able to use to claim a tax deduction. This is called an 'LIC capital gain attributable part'. The purpose of this is to put shareholders in Listed Investment Companies on a similar footing with holders of managed investment trusts with respect to Capital Gains Tax on the sale of underlying investments.

Tax legislation sets out the definition of a 'Listed Investment Company' which Djerriwarrh satisfies. Furthermore, from time to time the Company sells securities out of the investment portfolio held for more than one year which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. There were no LIC gains attached to the dividends for the year ended 30 June 2022.

Financial Condition

The Company's financing consists primarily of shareholders' funds. The Company also has agreements with the Commonwealth Bank of Australia for cash advance facilities of \$130 million and with the National Australia Bank via a securities lending arrangement for \$20 million (see Note D2). As at 30 June 2022, \$89.0 million had been drawn down on existing facilities (2021: \$65.0 million). The Company's total borrowings of \$89.0 million at balance date represented 12.5 per cent of net assets.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since inception. The results of these investment activities will depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors (macro, which include economic growth rates, inflation, interest rates, exchange rates and taxation levels and micro which includes industry economics and competitive behaviour)

and their approach to, and management of, material Environmental, Social and Governance (ESG) risks.

The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company's investments. Accordingly, Directors do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term and its twin objectives are as set out above.

Significant Changes in the State of Affairs Directors are not aware of any other significant changes in the operations of the Company or the environment in which it operates that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matter or circumstance not otherwise disclosed in the Financial Report or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not materially affected by environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Top 20 Investments

As at 30 June 2022

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2022

| | | Total Value \$ Million | % of the Portfolio |
|--------------|---------------------------------|---------------------------|-----------------------|
| 1 | CSL* | 50.4 | 6.5 |
| 2 | Transurban Group* | 49.7 | 6.4 |
| 3 | BHP* | 46.0 | 5.9 |
| 4 | Westpac Banking Corporation* | 41.8 | 5.4 |
| 5 | Commonwealth Bank of Australia* | 41.5 | 5.3 |
| 6 | Woolworths Group* | 37.3 | 4.8 |
| 7 | Wesfarmers* | 34.6 | 4.4 |
| 8 | Coles Group* | 27.2 | 3.5 |
| 9 | Macquarie Group* | 26.3 | 3.4 |
| 10 | Carsales.com* | 21.9 | 2.8 |
| 11 | EQT Holdings | 21.1 | 2.7 |
| 12 | ASX* | 21.0 | 2.7 |
| 13 | James Hardie Industries | 20.5 | 2.6 |
| 14 | Telstra Corporation* | 19.6 | 2.5 |
| 15 | JB Hi-Fi* | 18.4 | 2.4 |
| 16 | Mirvac Group | 17.6 | 2.2 |
| 17 | Mainfreight | 17.4 | 2.2 |
| 18 | National Australia Bank* | 17.2 | 2.2 |
| 19 | Auckland International Airport* | 15.6 | 2.0 |
| 20 | Insurance Australia Group* | 14.3 | 1.8 |
| Total | | 559.6 | |

As percentage of total portfolio value (excludes cash)

71.6%

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

Board Members



John Paterson

**Chairman and
Independent
Non-Executive
Director**

BCom (Hons)(Melb),
CPA, F Fin

Chairman of the Investment Committee. Member of the Nomination Committee. Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited (AICS).

Mr Paterson is a company Director who was appointed to the Board in July 2002, appointed Deputy Chairman in September 2009 and appointed Chairman in October 2013. He is also Chairman of Australian Foundation Investment Company Limited (AFIC). He also chaired the Investment Committee of the Salvation Army Southern Region from 2003 to 2020. He was formerly a Director of Goldman Sachs JBWere and is a former member of the Board of Guardians of Australia's Future Fund.



Mark Freeman

Managing Director

BE, MBA, Grad Dip
App Fin (Sec Inst),
AMP (INSEAD)

Member of the Investment Committee. Managing Director of AICS.

Mr Freeman became Chief Executive Officer and Managing Director in January 2018 having been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of Australian Foundation Investment Company Limited, Mirrabooka Investments Limited and AMCIL Limited.



Bruce R Brook

**Independent
Non-Executive
Director**

BCom, BAcc,
FCA, MAICD

Mr Bruce Brook joined the Board on 1 August 2021. Mr Brook is a Non-Executive Director of CSL Limited, Incitec Pivot Limited and Newmont Corporation. During his executive career, Mr Brook was the Chief Financial Officer of Western Mining Resources Limited and Deputy Chief Financial Officer of the Australia and New Zealand Banking Group.



**Kathryn J
Fagg AO**

**Independent
Non-Executive
Director**

BE (Hons),
MCom (Hons)

Chair of the Nomination Committee and member of the Investment and Audit Committees.

Ms Fagg joined the Board in May 2014. Her executive and professional roles have been broad and diverse. She started her career as a chemical engineer. She became a management consultant and then held a number of senior executive positions in the banking, steel and logistics industries across Australia, New Zealand and Asia. Ms Fagg is Chair of CSIRO and a Non-Executive Director of Medibank Limited and National Australia Bank Limited. She is Chair of the Breast Cancer Network Australia, Inaugural Chair of Watertrust Australia Limited and is a board member of the Grattan Institute, The Myer Foundation and Champions of Change Coalition. Ms Fagg was previously Chair of Boral, a board member of the Reserve Bank of Australia, Chair of Parks Victoria, President of Chief Executive Women, Chair of Melbourne Recital Centre and Non-Executive Director of Incitec Pivot Limited. She also has a number of other significant interests including as a Fellow of the Academy of Technological Sciences and Engineering.

Ms Fagg has been awarded Honorary Doctorates by the University of New South Wales in Business and in Chemical Engineering by the University of Queensland.



**Graham B
Goldsmith AO**

**Deputy Chairman
and Independent
Non-Executive
Director**

B Bus (Acctg),
FCPA, FAICD

Member of the Investment and Nomination Committees. Non-Executive Director of the Company's associated entity, AICS.

Mr Goldsmith was appointed to the Board in April 2013 and Deputy Chairman in May 2020. He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a panel member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.



Alice JM Williams

**Independent
Non-Executive
Director**

B.Com, FCPA, FAICD,
CFA, ASFA AIF

Chair of the Audit Committee. Member of the Investment Committee.

Ms Williams was appointed to the Board in May 2010. Ms Williams is a Director of Mercer Investments (Australia) Ltd, Tobacco Free Portfolios, Vocus Group and Pro Medicus.

She was formerly a Director of Defence Health, Cooper Energy, Equity Trustees Limited, Victorian Funds Management Corporation (VFMC), Port of Melbourne Corporation, Guild Group, Airservices Australia, State Trustees Limited, Western Health, the Australian Accounting Standards Board, Telstra Sale Company, V/Line Passenger Corporation and Barristers Chambers Limited. She previously held senior management positions in the financial services sector including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia and is a former member of the Foreign Investment Review Board (FIRB).



Karen J Wood

**Independent
Non-Executive Director**

B ED, LLB (Hons)

Member of the Audit and Investment Committees.

Ms Wood was appointed to the Board in July 2016. Ms Wood is the Chair of South32 Limited and a Director of the Library Board of Victoria. She is a former senior executive of BHP. During her executive career with that company she served in a number of global roles including as Group Company Secretary, Chief People Officer and President, Corporate Affairs. She retired from BHP in 2014. Following her retirement she chaired the BHP Foundation until 2019. She served on the Takeovers Panel from 2000 to 2012.

Board Members

continued

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2022 and the numbers of meetings attended by each Director were:

| | Board | | Investment Committee | | Audit Committee | | Nomination Committee | |
|--------------|--------------------|----------|----------------------|-----------------|--------------------|----------------|----------------------|----------|
| | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended |
| J Paterson | 10 | 10 | 17 | 17 | - | 3 [#] | 1 | 1 |
| RM Freeman | 10 | 10 | 17 | 17 | - | 3 [#] | - | - |
| BR Brook* | 9 | 8 | - | 11 [#] | - | 2 [#] | - | - |
| RJ Edgar** | 2 | 2 | 4 | 1 | 1 | 1 | - | - |
| KJ Fagg | 10 | 8 | 17 | 12 | 3 | 3 | 1 | 1 |
| GB Goldsmith | 10 | 10 | 17 | 17 | - | 3 [#] | 1 | 1 |
| AJM Williams | 10 | 10 | 17 | 17 | 3 | 3 | - | - |
| KJ Wood | 10 | 9 | 17 | 15 | 3 | 3 | - | - |

Attended meetings as non-members.

* BR Brook was appointed to the Board on 1 August 2021.

** RJ Edgar retired from the Board at the 2021 Annual General Meeting.

Retirement, Election and Continuation in Office of Directors

Ms KJ Wood, being eligible, will offer herself for re-election at the forthcoming 2022 Annual General Meeting.

Mr GB Goldsmith, being eligible, will offer himself for re-election at the forthcoming 2022 Annual General Meeting.

Insurance of Directors and Officers

During the financial year, the Company paid insurance premiums to insure the Directors and officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2022 can be found on the Company's website at:

djerri.com.au/corporate-governance

Senior Executives



Geoffrey N Driver

General Manager Business Development and Investor Relations

B Ec, Grad Dip Finance,
MAICD

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver was formerly Chairman of Trust for Nature (Victoria).



Andrew JB Porter

Chief Financial Officer/ Company Secretary

MA (Hons) (St And),
FCA, MAICD

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 25 years of experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation. Mr Porter is a former Chair of The Group of 100 (G100), the peak body for CFOs.



Matthew J Rowe

Company Secretary

BA (Hons), MSc Corp Gov,
FGIA, FCG

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 16 years of experience in corporate governance with a particular focus in Listed Investment Companies. He was previously a corporate governance advisor at a professional services firm which included acting as Company Secretary for three ASX listed companies. Prior to that he was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Remuneration Report

(a) Principles Used to Determine Nature and Amount of Remuneration

The Company has no employees (only Directors). Day-to-day operations and investment activities are carried out under the Board's direction by employees of Australian Investment Company Services Limited (AICS), a company which Djerriwarrh has a 25 per cent shareholding in. Djerriwarrh has two Directors who serve as Directors of AICS (Mr John Paterson and Mr Graham Goldsmith).

The Remuneration Report of the Parent (Australian Foundation Investment Company) includes full details of the basis upon which the executives of AICS are remunerated. Djerriwarrh bears a portion of the cost of this remuneration through the fee which AICS charges.

Djerriwarrh does not pay directly any performance-based remuneration. However, Mr Freeman is made available as Managing Director of Djerriwarrh by Australian Investment Company Services Ltd (AICS) and as part of his remuneration arrangements with AICS, Mr Freeman receives an 'at risk' component which is based on performance, as do other executives (see Section (d)).

Director Remuneration

The Constitution of Djerriwarrh requires approval by the shareholders in general meeting of a maximum amount of remuneration per year to be allocated between and paid to Non-Executive Directors as they determine. At the Company's 2015 Annual General Meeting, the total aggregate amount approved by shareholders for Non-Executive Director remuneration was \$900,000 and there has been no change of the total aggregate amount since that time. In determining remuneration allocated and paid to Non-Executive Directors, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. Non-Executive Directors do not receive any performance-based remuneration. Remuneration includes SGC where applicable.

The Directors and the Company agreed to freeze Directors' retirement allowances at 30 June 2004. This frozen amount will be paid to qualifying Directors in office prior to that time when they ultimately retire, without further adjustment. The annual amount of remuneration disclosed for each Director excludes any amounts owing in relation to retirement allowances (see Section (c)).

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the Constitution of the Company. All current Directors have entered into a Directors' Deed in a form approved by shareholders.

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2022 were as follows:

| | Primary Fee \$ | Post- employment Superannuation \$ | Total Remuneration \$ |
|--|-------------------|---|-----------------------------|
| J Paterson – Chairman (Non-Executive) | | | |
| 2022 | 181,364 | 8,636 | 190,000 |
| 2021 | 170,090 | 16,160 | 186,250 |
| BR Brook – Director (Non-Executive) Appointed 1 August 2021 | | | |
| 2022 | 79,167 | 7,916 | 87,083 |
| RJ Edgar – Director (Non-Executive) Retired 7 October 2021 | | | |
| 2022 | 23,247 | 2,325 | 25,572 |
| 2021 | 85,045 | 8,080 | 93,125 |
| KJ Fagg AO – Director (Non-Executive) | | | |
| 2022 | 86,364 | 8,636 | 95,000 |
| 2021 | 85,045 | 8,080 | 93,125 |
| RM Freeman – Managing Director (Executive) | | | |
| 2022 | - | - | - |
| 2021 | - | - | - |
| GB Goldsmith AO – Deputy Chairman (Non-Executive) | | | |
| 2022 | 92,841 | 2,159 | 95,000 |
| 2021 | 85,045 | 8,080 | 93,125 |
| AJM Williams – Director (Non-Executive) | | | |
| 2022 | 86,364 | 8,636 | 95,000 |
| 2021 | 85,045 | 8,080 | 93,125 |
| KJ Wood – Director (Non-Executive) | | | |
| 2022 | 92,841 | 2,159 | 95,000 |
| 2021 | 91,119 | 2,006 | 93,125 |
| Total remuneration: Directors | | | |
| 2022 | 642,188 | 40,467 | 682,655 |
| 2021 | 601,389 | 50,486 | 651,875 |

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

Only one Director (the Chairman, Mr John Paterson) retains an entitlement to a retirement allowance.

The amount payable which will be paid when he retires, is set out below. This amount was expensed in prior years when the retirement allowance accrued.

| | Amount Payable on Retirement \$ |
|------------|------------------------------------|
| J Paterson | 44,468 |
| | 44,468 |

Holdings of Securities Issued by the Company

As at 30 June 2022 Directors and Executives who hold stock units issued by the Company for their own benefit or who have an interest in holdings in the name of another party and the total number of such securities are as follows (changes include conversion of DJWN shares to DJW shares):

| DJW Ordinary Shares | 1 July 2021 | Net Changes During the Year | 30 June 2022 |
|---------------------|-------------|--------------------------------|--------------|
| J Paterson | 769,617 | 109,274 | 878,891 |
| BR Brook | n/a | - | 15,000 |
| RJ Edgar | 70,489 | - | n/a |
| KJ Fagg | 20,220 | - | 20,220 |
| RM Freeman | 55,013 | 34,700 | 89,713 |
| GB Goldsmith | 156,889 | 43,074 | 199,963 |
| AJM Williams | 119,905 | 18,030 | 137,935 |
| KJ Wood | 219,742 | 29,486 | 249,228 |
| GN Driver | 56,092 | 12,628 | 68,720 |
| AJB Porter | 31,402 | 5,889 | 37,291 |
| MJ Rowe | 1,949 | 5,759 | 7,708 |

| DJWN Shares | 1 July 2021 | Net Changes During the Year | 30 June 2022 |
|--------------|-------------|--------------------------------|--------------|
| J Paterson | 36,052 | (36,052) | n/a |
| RJ Edgar | 21,052 | (21,052) | n/a |
| KJ Fagg | - | - | - |
| RM Freeman | 5,263 | (5,263) | n/a |
| GB Goldsmith | 21,052 | (21,052) | n/a |
| AJM Williams | 15,789 | (15,789) | n/a |
| KJ Wood | 21,052 | (21,052) | n/a |
| GN Driver | 3,508 | (3,508) | n/a |
| AJB Porter | - | - | - |
| MJ Rowe | 870 | (870) | n/a |

It is the Company's policy that no Djerrriwarrh shares owned by Directors or Executives are held subject to margin loans.

Remuneration Report

continued

(d) Executives

Executives are officers who are involved in, concerned with, or who take part in, the management of the affairs of the Company. The Company has four Executives, RM Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (30 June 2021: four Executives).

As noted in Section (a), no remuneration is paid to the Executives directly by Djerriwarrh as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager – Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase Djerriwarrh shares as part of their Annual Incentive Plans.

(e) Incentives

As noted above, Djerriwarrh does not directly pay any incentives. Part of the incentive payments that the Executives are eligible for through AICS is, however, based on the performance of Djerriwarrh. These incentive payments are all 'at risk' and are dependent upon Company and personal performance.

The portion of incentive payments that relate to Djerriwarrh are designed to reflect the risks that the Company and its shareholders face and how the Company has responded to those risks. In particular:

- the key performance indicators chosen to determine performance-related pay are those that the Company considers most relevant to its objectives of improving shareholder wealth over the medium to long term; and
- the focus is on performance over the medium to long term with only a small proportion of incentive being dependent on a single year's performance.

In addition, Executives are required to hold, or to build, a relevant amount of DJW shares.

As well as personal objectives (20 per cent of potential target incentive), which include advice to the Board, succession planning, management of staff, risk management, service levels of internal support functions and promotion of corporate culture and satisfaction of key internal stakeholders a portion of any incentive awarded is based on investment and Company performance (80 per cent of target Annual Incentive, 20 per cent of which is dependent on Djerriwarrh's performance). The portion related to Djerriwarrh's performance takes account of the following factors:

- (a) Growth in net operating result or dividend per share: measured against CPI.
- (b) Management expense ratio (MER): at Board discretion but normally measured against prior years' results.
- (c) Grossed up yield achieved: at Board discretion but currently measured at one percentage point higher outcome than the grossed up yield of the ASX 200 for the year.
- (d) Relative investment return: measure of the return on the portfolio invested (including cash) over the previous one, three, five and 10 years, relative to the S&P/ASX 200 Accumulation Index up to a 7.5 per cent Index growth, then assessed at 70 per cent of the Index growth above 7.5 per cent, reflecting Djerriwarrh's key focus on income, and the effect that option-writing has on Djerriwarrh's portfolio returns in a strongly rising market.
- (e) Gross return (GR): measure of the movement in the net asset backing of the Company (per share) plus the dividends assumed to be reinvested, grossed up for franking credits over the previous one, three, five and 10 years. This return is compared to the S&P/ASX 200 Accumulation Index grossed up for franking credits up to a 7.5 per cent Index return, then assessed at 70 per cent of the Index growth above 7.5 per cent, for the same reasons as (d) above.

For the Managing Director, the total target amount of incentive that can be paid is 100 per cent of the Fixed Annual Remuneration (FAR) whilst for the other executives it is 50 per cent. As noted above, DJW only bears a portion of these costs through the payments that it makes to AICS. For 2021–2022, total incentive included an amount of Long Term Incentive which was based purely on AFIC measures and was charged 100 per cent to AFIC. From 2022–2023, this plan is proposed to be incorporated within the Annual Incentive Plan.

The Board monitors these measures to ensure that they remain consistent and aligned with the objectives of the Company.

Details of the incentives paid during the year, and the outcomes of the relevant measures, including Djerriwarrh's performance against the targets, will be available in the AFIC Annual Report, available on its website afi.com.au.

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors Independence Declaration is set out on page 22.

This report is made in accordance with a resolution of the Directors.



John Paterson
Chairman

19 July 2022



Auditor's Independence Declaration

As lead auditor for the audit of Djerriwarrh Investments Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Nadia Carlin'.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
19 July 2022

PricewaterhouseCoopers, ABN 52 780 433 757
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Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

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Income Statement

For the Year Ended 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|--------|----------------|----------------|
| Dividends and distributions | A3 | 37,210 | 28,006 |
| Revenue from deposits and bank bills | | 2 | 4 |
| Total revenue | | 37,212 | 28,010 |
| Net gains/(losses) on trading portfolio | A3 | (30) | 70 |
| Income from options written portfolio | A3 | 12,524 | 12,129 |
| Income from operating activities | | 49,706 | 40,209 |
| Finance costs | B4/D2 | (1,420) | (1,815) |
| Administration expenses | B1 | (3,838) | (3,956) |
| Share of net profit from associate | B1 | 30 | 636 |
| Operating result before income tax expense | | 44,478 | 35,074 |
| Income tax expense* | B2, E2 | (4,039) | (3,789) |
| Net operating result for the year | | 40,439 | 31,285 |
| Net gains/(losses) on open options positions | | 5,843 | (1,104) |
| Deferred tax on open options positions* | B2, E2 | (1,753) | 331 |
| | | 4,090 | (773) |
| Profit for the year | | 44,529 | 30,512 |
| | | Cents | Cents |
| Basic earnings per share | A5 | 18.81 | 13.36 |
| | | 2022 \$'000 | 2021 \$'000 |
| * Total tax expense | B2, E2 | 5,792 | 3,458 |

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Year Ended 30 June 2022

| | Year to 30 June 2022 | | | Year to 30 June 2021 | | |
|---|--------------------------------|--------------------------------|-----------------|--------------------------------|--------------------------------|-----------------|
| | Revenue ¹ \$'000 | Capital ¹ \$'000 | Total \$'000 | Revenue ¹ \$'000 | Capital ¹ \$'000 | Total \$'000 |
| Profit for the year | 40,439 | 4,090 | 44,529 | 31,285 | (773) | 30,512 |
| Other comprehensive income | | | | | | |
| <i>Items that will not be recycled through the Income Statement</i> | | | | | | |
| Gains/(losses) for the period | - | (103,590) | (103,590) | - | 133,166 | 133,166 |
| Tax on above | - | 30,639 | 30,639 | - | (42,193) | (42,193) |
| <i>Items that may be recycled through the Income Statement</i> | | | | | | |
| Net movement in fair value of swap contracts | - | 83 | 83 | - | 393 | 393 |
| Total other comprehensive income | - | (72,868) | (72,868) | - | 91,366 | 91,366 |
| Total comprehensive income | 40,439 | (68,778) | (28,339) | 31,285 | 90,593 | 121,878 |

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio and unrealised gains or losses (and the tax thereon) on options in the options written portfolio. Income in the form of distributions and dividends and realised gains or losses on options is recorded as 'revenue'. All other items, including expenses, are included in 'net operating result', which is categorised under 'revenue'.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|--------|----------------|----------------|
| Current assets | | | |
| Cash | D1 | 1,454 | 1,236 |
| Receivables | | 3,677 | 5,295 |
| Trading portfolio | | 974 | 1,019 |
| Total current assets | | 6,105 | 7,550 |
| Non-current assets | | | |
| Investment portfolio | A2 | 783,888 | 849,078 |
| Deferred tax assets – investment portfolio | B2 | 15,415 | - |
| Deferred tax assets – other | E2 | 3,746 | 6,136 |
| Shares in associate | F5 | 1,086 | 1,066 |
| Total non-current assets | | 804,135 | 856,280 |
| Total assets | | 810,240 | 863,830 |
| Current liabilities | | | |
| Payables | | 2,180 | 78 |
| Borrowings – bank debt | D2 | 89,000 | 65,000 |
| Interest rate hedging contracts | B4 | - | 83 |
| Tax payable | | 1,344 | 2,588 |
| Options sold | A2 | 3,352 | 11,544 |
| Total current liabilities | | 95,876 | 79,293 |
| Non-current liabilities | | | |
| Deferred tax liabilities – investment portfolio | B2 | - | 15,828 |
| Total non-current liabilities | | - | 15,828 |
| Total liabilities | | 95,876 | 95,121 |
| Net assets | | 714,364 | 768,709 |
| Shareholders' equity | | | |
| Share capital | A1, D6 | 689,325 | 686,297 |
| Revaluation reserve | A1, D3 | 9,167 | 85,822 |
| Realised capital gains reserve | A1, D4 | (71,008) | (74,712) |
| Interest rate hedging reserve | B4 | - | (83) |
| Retained profits | A1, D5 | 86,880 | 71,385 |
| Total shareholders' equity | | 714,364 | 768,709 |

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2022

| Year Ended 30 June 2022 | Note | Share Capital \$'000 | Revaluation Reserve \$'000 | Realised Capital Gains \$'000 | Interest Rate Hedging \$'000 | Retained Profits \$'000 | Total \$'000 |
|--|------|-------------------------|-------------------------------|----------------------------------|---------------------------------|----------------------------|-----------------|
| Total equity at the beginning of the year | | 686,297 | 85,822 | (74,712) | (83) | 71,385 | 768,709 |
| Dividends paid | A4 | - | - | - | - | (29,034) | (29,034) |
| Shares issued under Dividend Reinvestment Plan | D6 | 3,043 | - | - | - | - | 3,043 |
| Share issue costs | D6 | (15) | - | - | - | - | (15) |
| Total transactions with shareholders | | 3,028 | - | - | - | (29,034) | (26,006) |
| Profit for the year | | - | - | - | - | 44,529 | 44,529 |
| Other comprehensive income (net of tax) | | | | | | | |
| Net losses for the period on investments ¹ | | - | (72,951) | - | - | - | (72,951) |
| Net movement in fair value of swap contracts | | - | - | - | 83 | - | 83 |
| Other comprehensive income for the year | | - | (72,951) | - | 83 | - | (72,868) |
| Transfer to realised capital gains reserve of cumulative gains on investments sold | | - | (3,704) | 3,704 | - | - | - |
| Total equity at the end of the year | | 689,325 | 9,167 | (71,008)² | - | 86,880 | 714,364 |

1. Consists of an unrealised loss on investments held at the year-end of \$76.7 million (after tax) less cumulative gains on investments sold during the year of \$3.7 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

| Year Ended 30 June 2021 | Note | Share Capital \$'000 | Revaluation Reserve \$'000 | Realised Capital Gains \$'000 | Interest Rate Hedging \$'000 | Retained Profits \$'000 | Total \$'000 |
|---|------|-------------------------|-------------------------------|----------------------------------|---------------------------------|----------------------------|-----------------|
| Total equity at the beginning of the year | | 652,854 | (20,539) | (59,324) ² | (476) | 64,330 | 636,845 |
| Dividends paid | A4 | - | - | - | - | (23,457) | (23,457) |
| Shares issued under Dividend Reinvestment Plan | D6 | 2,411 | - | - | - | - | 2,411 |
| Shares issued under the Share Purchase Plan | D6 | 31,141 | - | - | - | - | 31,141 |
| Share issue costs | D6 | (109) | - | - | - | - | (109) |
| Total transactions with shareholders | | 33,443 | - | - | - | (23,457) | 9,986 |
| Profit for the year | | - | - | - | - | 30,512 | 30,512 |
| Other comprehensive income (net of tax) | | | | | | | |
| Net gains for the period on investments ¹ | | - | 90,973 | - | - | - | 90,973 |
| Net movement in fair value of swap contracts | | - | - | - | 393 | - | 393 |
| Other comprehensive income for the year | | - | 90,973 | - | 393 | - | 91,366 |
| Transfer to realised capital gains reserve of cumulative losses on investments sold | | - | 15,388 | (15,388) | - | - | - |
| Total equity at the end of the year | | 686,297 | 85,822 | (74,712)² | (83) | 71,385 | 768,709 |

1. Consists of an unrealised gain on investments held at the year-end of \$106.4 million (after tax) less cumulative losses on investments sold during the year of \$15.4 million (after tax).

2. See Note D4.

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the Year Ended 30 June 2022

| | Note | 2022 \$'000 Inflows/ (Outflows) | 2021 \$'000 Inflows/ (Outflows) |
|--|------|--|--|
| Cash flows from operating activities | | | |
| Sales from trading portfolio | | 1,217 | 1,195 |
| Purchases for trading portfolio | | - | (964) |
| Interest received | | 2 | 4 |
| Proceeds from entering into options in options written portfolio | | 16,051 | 28,779 |
| Payment to close out options in options written portfolio | | (5,865) | (17,922) |
| Dividends and distributions received | | 29,240 | 19,344 |
| | | 40,645 | 30,436 |
| Administration expenses | | (3,831) | (3,956) |
| Finance costs paid | | (1,386) | (1,916) |
| Income taxes paid | | (5,218) | (696) |
| Net cash inflow/(outflow) from operating activities | E1 | 30,210 | 23,868 |
| Cash flows from investing activities | | | |
| Sales from investment portfolio | | 260,972 | 240,321 |
| Purchases for investment portfolio | | (288,958) | (261,402) |
| Net cash inflow/(outflow) from investing activities | | (27,986) | (21,081) |
| Cash flows from financing activities | | | |
| Drawing down/(repayment) of cash advance facilities | | 24,000 | (13,000) |
| Shares issued under SPP | | - | 31,141 |
| Share issue costs | | (15) | (109) |
| Dividends paid | | (25,991) | (21,046) |
| Net cash inflow/(outflow) from financing activities | | (2,006) | (3,014) |
| Net increase/(decrease) in cash held | | 218 | (227) |
| Cash at the beginning of the year | | 1,236 | 1,463 |
| Cash at the end of the year | D1 | 1,454 | 1,236 |

For the purpose of the Cash Flow Statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding Djerriwarrh's Financial Performance

A1. How Djerriwarrh Manages its Capital

Djerriwarrh's objective is to provide shareholders with attractive total returns including capital growth over the medium to long term and to pay an enhanced level of fully franked dividends.

Djerriwarrh recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or, where applicable, sell assets to settle any debt. Djerriwarrh's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity (excluding the interest rate hedging reserve) is provided below:

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Share capital | 689,325 | 686,297 |
| Revaluation reserve | 9,167 | 85,822 |
| Realised capital gains reserve | (71,008) | (74,712) |
| Retained profits | 86,880 | 71,385 |
| | 714,364 | 768,792 |

Refer to Notes D3–D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

Djerriwarrh has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the Company intends to retain on a long term basis. The options written portfolio and trading portfolio are held for short term trading only. The latter is relatively small in size when utilised. The Company predominantly writes call options but a small number of put options are also written at times (see below). Call options are only written over securities held in the investment portfolio whilst put options are fully backed by cash, cash equivalents or access to liquidity facilities.

The balance and composition of the investment portfolio was:

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------------|----------------|----------------|
| Equity instruments (at market value) | 783,888 | 849,078 |
| | 783,888 | 849,078 |

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

| | 2022 \$'000 | 2021 \$'000 |
|--------------|----------------|-----------------|
| Call options | (3,126) | (11,530) |
| Put options | (226) | (14) |
| | (3,352) | (11,544) |

If all call options were exercised, this would lead to the sale of \$252.8 million worth of securities at an agreed price – the 'exposure' (2021: \$327.7 million). If all put options were exercised, this would lead to the purchase of \$13.1 million of securities at an agreed price (2021: \$8.8 million).

\$86.0 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2021: \$104.0 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

Notes to the Financial Statements

continued

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by Djerriwarrh are classified as Level 1 (other than options which are Level 2). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period. Options are valued daily using an independent third-party data provider. OTC options are valued internally using external data reference points.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains or losses in Djerriwarrh's long term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2022 and 30 June 2021 were as follows:

| | 30 June 2022 | 30 June 2021 |
|---|--------------|--------------|
| | \$ | \$ |
| Net tangible asset backing per share | | |
| Before tax | 2.95 | 3.32 |
| After tax | 3.01 | 3.26 |

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments held for long term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

During the period \$260.1 million (2021: \$242.2 million) of equity securities were sold from the investment portfolio. The cumulative gain (after tax) on the sale of securities was \$3.7 million for the period (2021: \$15.4 million loss), both after tax. This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

Where securities are sold from the investment portfolio, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of Djerriwarrh's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the market value of the options are recognised through the Income Statement.

A3. Operating Income

The total income received from Djerriwarrh's investments in 2022 is set out below.

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Dividends and distributions | | |
| Dividends from securities held in investment portfolio at 30 June | 32,378 | 24,979 |
| Dividends from investment securities sold during the year | 4,796 | 3,016 |
| Dividends from securities held in trading portfolio at 30 June | 36 | 11 |
| Dividends from trading securities sold during the year | - | - |
| | 37,210 | 28,006 |

Dividend Income

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading Income and Non-equity Investments

Net gains on the trading and options portfolio are set out below.

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Net gains | | |
| Net realised gains from securities in the trading portfolio | 14 | 15 |
| Net unrealised gains/(losses) from securities in the trading portfolio | (44) | 55 |
| Realised gains on options written portfolio | 12,524 | 12,129 |
| | 12,494 | 12,199 |

Including the realised gain on options written above, plus the unrealised gain on open options, a total of \$18.4 million before tax was recorded through the Income Statement from options in the options written portfolio (2021: \$11.0 million).

A4. Dividends Paid and Franking Credits

The dividends paid and payable for the year ended 30 June 2022 are shown below:

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| (a) Dividends Paid During the Year | | |
| Final dividend for the year ended 30 June 2021 of 5.75 cents fully franked at 30 per cent paid 27 August 2021 (2021: 5.25 cents fully franked at 30 per cent paid on 28 August 2020) | 13,179 | 11,709 |
| Interim dividend for the year ended 30 June 2022 of 6.75 cents per share fully franked at 30 per cent, paid 23 February 2022 (2021: 5.25 cents fully franked at 30 per cent paid 22 February 2021) | 15,855 | 11,748 |
| | 29,034 | 23,457 |
| (b) Franking Credits | | |
| Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables | 32,085 | 28,567 |
| Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year: | (7,115) | (5,684) |
| Net available | 24,970 | 22,883 |
| These franking account balances would allow Djerriwarrh to frank additional dividend payments up to an amount of: | 58,263 | 53,394 |

Djerriwarrh's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Djerriwarrh paying tax on its other operating activities and on any capital gain.

Notes to the Financial Statements

continued

(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 7.0 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2022 to be paid on 26 August 2022, but not recognised as a liability at the end of the financial year is \$16.6 million.

(d) Listed Investment Company Capital Gain Account

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Balance of the Listed Investment Company (LIC) capital gain account | 1,389 | 2,699 |
| This equates to an attributable amount | 1,985 | 3,855 |

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains or the receipt of LIC distributions from LIC securities held in the portfolios.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

| | 2022 Number | 2021 Number |
|--|----------------|----------------|
| Basic Earnings Per Share | | |
| Weighted average number of ordinary shares used as the denominator | 236,701,342 | 228,393,128 |
| | \$'000 | \$'000 |
| Profit for the year | 44,529 | 30,512 |
| | Cents | Cents |
| Basic earnings per share | 18.81 | 13.36 |
| Basic Net Operating Result Per Share | \$'000 | \$'000 |
| Net operating result | 40,439 | 31,285 |
| | Cents | Cents |
| Basic net operating result per share | 17.08 | 13.70 |

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share. This also applies to diluted net operating result per share.

Excluding the impact of the Woodside/BHP Petroleum merger dividend, the profit for the year would have been \$38.0 million, the net operating result would have been \$33.9 million and the net operating result per share would have been 14.33 cents per share. This compares to a figure last year of 10.94 cents excluding the impact of the Woolworths/Endeavour demerger.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Administration fees paid to AICS | (2,262) | (2,528) |
| Share of net profit from AICS as an associate | 30 | 636 |
| Other administration expenses | (1,576) | (1,428) |

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day administration of Djerriwarrh's investments and its operations, including financial reporting. Djerriwarrh has a 25 per cent shareholding in AICS and has two Directors on the AICS Board who are involved in approving the annual expenses budget of the Company (Djerriwarrh), amongst other duties which include oversight of risk management and compliance.

A large proportion of the administration fee paid consists of remuneration payments to the AICS staff. See the Remuneration Report for more details.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

| | Short Term Benefits \$ | Post- employment Benefits \$ | Total \$ |
|-------------|------------------------------|---------------------------------------|-------------|
| 2022 | | | |
| Directors | 642,188 | 40,467 | 682,655 |
| 2021 | | | |
| Directors | 601,389 | 50,486 | 651,875 |

Djerriwarrh recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

Djerriwarrh's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision has also been made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Djerriwarrh disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Notes to the Financial Statements

continued

Tax Expense

The income tax expense for the period is shown below:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Operating result before income tax expense | 44,478 | 35,074 |
| Tax at the rate of 30 per cent (2021 – 30 per cent) | 13,343 | 10,522 |
| Tax offset for franked dividends received | (8,989) | (4,381) |
| Demerger dividend not taxable | - | (1,892) |
| Tax effect of sundry items not taxable in calculating taxable income or taxable in current year but not included in income | 64 | (137) |
| | 4,418 | 4,112 |
| Over provision in prior years | (379) | (323) |
| Income tax expense on operating result before net gains on investments | 4,039 | 3,789 |
| Net gains (losses) on open options positions | 5,843 | (1,104) |
| Tax at the rate of 30 per cent (2021 – 30 per cent) | 1,753 | (331) |
| Tax expense (credit) on net gains on open options positions | 1,753 | (331) |
| Total tax expense | 5,792 | 3,458 |

Deferred Tax – Investment Portfolio

| | 2022 \$'000 | 2021 \$'000 |
|---|-----------------|----------------|
| Deferred tax (assets)/liabilities on unrealised gains or losses in the investment portfolio | (15,415) | 15,828 |
| Opening balance at 1 July | 15,828 | (31,282) |
| Tax on realised gains or losses | (604) | 4,917 |
| Charged to OCI for ordinary securities on gains or losses for the period | (30,639) | 42,193 |
| | (15,415) | 15,828 |

During the second half of the year, a deferred tax asset has arisen on unrealised losses in the investment portfolio. The Company considers its reversal to be probable through the usual course of market movements.

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As a Listed Investment Company that invests in tradeable securities, Djerrivarrh will always be subject to market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent on values at 30 June, if spread equally over all assets in the investment portfolio, would have led to the following reductions (after tax):

| | 2022 \$'000 | | 2021 \$'000 | |
|----------------------------|----------------|----------|----------------|----------|
| | 5% | 10% | 5% | 10% |
| Profit after tax | - | - | - | - |
| Other comprehensive income | (27,436) | (54,872) | (29,718) | (59,435) |

An equity market fall of 5 per cent and 10 per cent would have impacted the options written portfolio and trading portfolio and led to the following increases (after tax) 30 June:

| | 2022 \$'000 | | 2021 \$'000 | |
|----------------------------|----------------|-----|----------------|-----|
| | 5% | 10% | 5% | 10% |
| Profit after tax | 83 | 166 | 368 | 737 |
| Other comprehensive income | - | - | - | - |

Djerriwarrh seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee (normally fortnightly) and risk can be managed by reducing exposure where necessary. Djerriwarrh does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Djerriwarrh's investment exposures by sector is as below:

| | 2022 % | 2021 % |
|--|-----------|-----------|
| Energy | 2.60 | 2.93 |
| Materials | 9.90 | 11.17 |
| Industrials | 12.77 | 14.90 |
| Consumer Staples | 8.24 | 7.62 |
| Banks | 14.21 | 14.67 |
| Other Financials (including real estate) | 22.21 | 22.53 |
| Telecommunications | 6.84 | 5.98 |
| Healthcare | 11.48 | 10.66 |
| Other – Consumer Discretionary, Information Technology and Utilities | 11.56 | 9.39 |
| Cash | 0.19 | 0.15 |

Securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June were:

| | 2022 % | 2021 % |
|------------|-----------|-----------|
| CSL | 6.5 | |
| Transurban | 6.4 | |
| BHP | 5.9 | |
| Westpac | 5.4 | |
| CBA | 5.3 | |
| | | |
| CSL | | 6.2 |
| Westpac | | 5.9 |
| BHP | | 5.6 |
| Transurban | | 5.3 |

No other security represents over 5 per cent of the Company's investment and trading portfolios.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Djerriwarrh is also not directly exposed to material currency risk as most of its investments are quoted in Australian dollars.

Notes to the Financial Statements

continued

Interest Rate Risk

Djerriwarrh is not currently materially exposed to interest rate risk as all its cash investments and borrowings are short term for a fixed interest rate.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Djerriwarrh is exposed to credit risk from cash, receivables and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short term deposits with Australia's 'big four' commercial banks or cash management trusts which invest predominantly in securities with an A1+ rating.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not paid as at balance date.

Trading and Investment Portfolios

Interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk would be realised in the event of a shortfall on winding up of the issuing companies. As at 30 June 2022, no such investments are held (2021: nil).

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Djerriwarrh monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Djerriwarrh to purchase securities, and facilities that need to be repaid. Djerriwarrh ensures that it has either cash or access to short term borrowing facilities sufficient to meet these contingent payments.

Djerriwarrh's inward cash flows depend upon the dividends received. Should these drop by a material amount, Djerriwarrh would amend its outward cash flows accordingly or draw down on more debt. Djerriwarrh's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Djerriwarrh are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Djerriwarrh's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

| | Less Than 6 Months \$'000 | 6-12 Months \$'000 | Greater Than 1 Year \$'000 | Total Contractual Cash Flows \$'000 | Carrying Amount \$'000 |
|------------------------|---------------------------------|--------------------------|----------------------------------|--|------------------------------|
| 30 June 2022 | | | | | |
| Non-derivatives | | | | | |
| Payables | 2,180 | - | - | 2,180 | 2,180 |
| Borrowings | 89,000 | - | - | 89,000 | 89,000 |
| | 91,180 | - | - | 91,180 | 91,180 |
| Derivatives | | | | | |
| Options written* | 13,121 | - | - | 13,121 | 3,352 |
| | 13,121 | - | - | 13,121 | 3,352 |
| 30 June 2021 | | | | | |
| Non-derivatives | | | | | |
| Payables | 78 | - | - | 78 | 78 |
| Borrowings | 65,000 | - | - | 65,000 | 65,000 |
| | 65,078 | - | - | 65,078 | 65,078 |
| Derivatives | | | | | |
| Options written* | 8,755 | - | - | 8,755 | 11,544 |
| Interest rate swaps | 113 | - | - | 113 | 83 |
| | 8,868 | - | - | 8,868 | 11,627 |

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for the purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

B4. Interest Rate Swaps

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Opening balance at 1 July | (83) | (476) |
| Movement for year (net of tax) | 83 | 393 |
| Fair value of interest rate swap agreements at 30 June | - | (83) |

C. Unrecognised Items

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

Notes to the Financial Statements

continued

Further notes to the financial statements are included here. These are grouped into three sections:

- D. Balance Sheet Reconciliations
- E. Income Statement Reconciliations
- F. Further Information

D. Balance Sheet Reconciliations

This section provides information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Cash at bank and in hand (including on-call) | 1,454 | 1,236 |

Cash holdings yielded an average floating interest rate of 0.08 per cent (2021: 0.12 per cent). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia and National Australia Bank (NAB) would extend cash advance facilities. Details of the facilities are given below.

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Commonwealth Bank of Australia – cash advance facility | 130,000 | 110,000 |
| Amount drawn down at 30 June | 79,000 | 55,000 |
| Undrawn facilities at 30 June | 51,000 | 55,000 |
| National Australia Bank – cash advance facility | 20,000 | 10,000 |
| Amount drawn down at 30 June | 10,000 | 10,000 |
| Undrawn facilities at 30 June | 10,000 | 0 |
| Total short term loan facilities | 150,000 | 120,000 |
| Total drawn down at 30 June | 89,000 | 65,000 |
| Total undrawn facilities at 30 June | 61,000 | 55,000 |

The above borrowings, with the exception of the NAB facility, are unsecured. Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities are usually drawn down for no more than three months and hence are classified as current liabilities when drawn.

The current debt facilities are as follows:

| Facility Provider | Amount | Expiry Date |
|-------------------------|----------------------|------------------|
| Commonwealth Bank | \$30 million | 29 June 2023 |
| Commonwealth Bank | \$50 million | 31 October 2023 |
| Commonwealth Bank | \$20 million | 31 December 2023 |
| Commonwealth Bank | \$30 million | 31 December 2024 |
| National Australia Bank | \$20 million | 26 July 2022 |
| Total facilities | \$150 million | |

The debt facility with National Australia Bank is structured in the form of a securities lending arrangement. The terms of the agreement require that securities be pledged as collateral for the drawn secured borrowings under that facility and that such securities satisfy a minimum value of \$11 million (110 per cent of the total drawn facility). These securities are held by the National Australia Bank but included as part of the Company's investment portfolio. As at 30 June 2022 the market value of the securities pledged as collateral was \$13.3 million (2021: \$15.6 million).

D3. Revaluation Reserve

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Opening balance at 1 July | 85,822 | (20,539) |
| Gains/(losses) on investment portfolio | (103,590) | 133,166 |
| Deferred tax on above | 30,639 | (42,193) |
| Cumulative taxable realised (gains)/losses (net of tax) | (3,704) | 15,388 |
| | 9,167 | 85,822 |

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D4. Realised Capital Gains Reserve

| | 2022 \$'000 | | | 2021 \$'000 | | |
|---|--|---|-----------------|--|---|-----------------|
| | Taxable Realised Gains (Net of Tax) | Difference Between Tax and Accounting Costs | Total | Taxable Realised Gains (Net of Tax) | Difference Between Tax and Accounting Costs | Total |
| Opening balance at 1 July | (11,474) | (63,238) | (74,712) | 451 | (59,775) | (59,324) |
| Dividends paid | - | - | - | - | - | - |
| Cumulative taxable realised (losses)/gains for period | 1,757 | 2,551 | 4,308 | (16,840) | (3,463) | (20,303) |
| Tax on realised gains/(losses) | (604) | - | (604) | 4,915 | - | 4,915 |
| | (10,321) | (60,687) | (71,008) | (11,474) | (63,238) | (74,712) |

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in Note A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

Note that LIC gains paid to shareholders also include the LIC gains received from other LICs that Djerriwarrh invests in.

D5. Retained Profits

| | 2022 \$'000 | 2021 \$'000 |
|---------------------------|----------------|----------------|
| Opening balance at 1 July | 71,385 | 64,330 |
| Dividends paid | (29,034) | (23,457) |
| Profit for the year | 44,529 | 30,512 |
| | 86,880 | 71,385 |

This reserve relates to past profits.

Notes to the Financial Statements

continued

D6. Share Capital

| Date | Details | Note | Number of Shares '000 | Issue Price \$ | Paid-up Capital \$'000 |
|-----------|----------------------------------|-------|-----------------------|----------------|------------------------|
| 1/7/2020 | Balance | | 224,253 | | 652,854 |
| 28/8/2020 | Dividend Reinvestment Plan | (i) | 484 | 2.52 | 1,220 |
| 28/8/2020 | Dividend Substitution Share Plan | (ii) | 26 | 2.52 | n/a |
| 22/2/2021 | Dividend Reinvestment Plan | (i) | 412 | 2.89 | 1,191 |
| 22/2/2021 | Dividend Substitution Share Plan | (ii) | 18 | 2.89 | n/a |
| 3/3/2021 | Share Purchase Plan | (iii) | 10,926 | 2.85 | 31,141 |
| | Costs of issue | | - | - | (109) |
| 30/6/2021 | Balance | | 236,119 | | 686,297 |
| 27/8/2021 | Dividend Reinvestment Plan | (i) | 420 | 3.10 | 1,303 |
| 27/8/2021 | Dividend Substitution Share Plan | (ii) | 27 | 3.10 | n/a |
| 23/2/2022 | Dividend Reinvestment Plan | (i) | 558 | 3.12 | 1,740 |
| 23/2/2022 | Dividend Substitution Share Plan | (ii) | 36 | 3.12 | n/a |
| | Costs of issue | | - | - | (15) |
| 30/6/2022 | Balance | | 237,160 | | 689,325 |

- (i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange and Cboe in the five days after the shares begin trading on an ex-dividend basis.
- (ii) The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.
- (iii) The Company had a Share Purchase Plan (SPP) during the previous corresponding period. Shareholders could apply for up to \$30,000 worth of new securities. Shares were issued at a 5 per cent discount to the five-day VWAP calculated up to and including the day on which the SPP closed, being the 22 February 2021. New shares issued under the SPP were entitled to 50 per cent of the final dividend paid on 27 August 2021. The SPP shares converted to ordinary shares on 9 August 2021.

All shares have been fully paid, rank pari passu (except as related to dividends as noted above) and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Profit for the year | 44,529 | 30,512 |
| Net profit from associate | (20) | (444) |
| (Increase) decrease in trading portfolio | 45 | (1,019) |
| Demerger dividend (non-cash) | - | (6,305) |
| Increase (decrease) in options written portfolio | (8,192) | (139) |
| Dividends received as securities under DRP investments | (6,515) | - |
| Decrease (increase) in current receivables | 1,618 | (3,097) |
| - Less increase (decrease) in receivables for investment portfolio | (1,899) | 1,898 |
| Increase (decrease) in deferred tax | (28,853) | 41,841 |
| - Less (increase) decrease in deferred tax on investment portfolio | 31,243 | (47,110) |
| - Add increase (decrease) in CGT losses carried forward | (604) | 4,985 |
| Increase (decrease) in current payables | 2,102 | (103) |
| - Less decrease (increase) in payables for investment portfolio | (2,000) | - |
| Increase (decrease) in provision for tax payable | (1,244) | 2,917 |
| - Less CGT provision | - | (68) |
| Net cash flows from operating activities | 30,210 | 23,868 |

E2. Tax Reconciliations

Tax Expense Composition

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Charge for tax payable relating to the current year | 4,385 | 4,133 |
| Over provision in prior years | (379) | (323) |
| Decrease (increase) in deferred tax assets (excluding capital losses) | 1,786 | (352) |
| | 5,792 | 3,458 |

Amounts Recognised Directly Through Other Comprehensive Income

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|-----------------|
| Capital losses | - | 4,985 |
| Capital losses carried forward from previous year | - | (68) |
| Capital gains absorbed by brought-forward losses | (604) | - |
| Net increase in deferred tax assets/liabilities relating to capital gains tax on the movement in gains or losses in the investment portfolio | 31,243 | (47,110) |
| | 30,639 | (42,193) |

Deferred Tax Assets

The deferred tax balances are attributable to:

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| (a) Tax on unrealised (gains)/losses in the options written portfolio | (522) | 1,230 |
| (b) Tax on unrealised (gains)/losses in the trading portfolio | (3) | (16) |
| (c) Provisions and expenses charged to the accounting profit which are not yet tax deductible | 14 | 14 |
| (d) Interest and dividend income receivable which is not assessable for tax until receipt | (194) | (145) |
| (e) Capital losses | 4,451 | 5,053 |
| | 3,746 | 6,136 |
| Movements: | | |
| Opening balance at 1 July | 6,136 | 867 |
| Credited/charged to Income Statement | (1,786) | 352 |
| Credited/charged to other comprehensive income | (604) | 4,917 |
| | 3,746 | 6,136 |

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Djerriwarrh's ability to claim the deduction.

E3. Reconciliation of Profit Before Tax

The Board considers Djerriwarrh's operating result after tax to be a key measure of Djerriwarrh's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on Djerriwarrh's investment portfolio. It reconciles to Djerriwarrh's profit before tax as follows:

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Operating result after income tax expense | 40,439 | 31,285 |
| Add back income tax expense | 4,039 | 3,789 |
| Net gains (losses) on open options positions | 5,843 | (1,104) |
| Profit for the year before tax | 50,321 | 33,970 |

Notes to the Financial Statements

continued

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions and other statutory information.

F1. Related Parties

All transactions with related parties were made on normal commercial terms and conditions and approved by independent Directors. The only such transactions were in connection with the services provided by AICS (see Notes B1 and F5).

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

| | 2022 \$ | 2021 \$ |
|--------------------------------------|----------------|----------------|
| PricewaterhouseCoopers | | |
| Audit or review of financial reports | 150,143 | 148,146 |
| Permitted non-audit services | | |
| Taxation compliance services | 19,197 | 18,355 |
| Total remuneration | 169,340 | 166,501 |

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for Djerriwarrh. Djerriwarrh has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Djerriwarrh's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Djerriwarrh's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for Djerriwarrh's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of unrealised capital gains tax on investments (as reported in Djerriwarrh's Net Tangible Asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

Djerriwarrh is domiciled in Australia and most of Djerriwarrh's income is derived from Australian entities or entities that maintain a listing in Australia. Djerriwarrh has a diversified portfolio of investments, with only one investment comprising more than 10 per cent of Djerriwarrh's income from operating activities – BHP (26.5 per cent including the Woodside/BHP Petroleum merger dividend) (2021: Woolworths (17.6 per cent) due to the demerger dividend from the Endeavour demerger).

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised for issue on 19 July 2022 in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of Djerriwarrh have the power to amend and reissue the Financial Report.

Djerriwarrh has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

| Phrase | AASB Terminology |
|---------------|--|
| Market value | Fair value for actively traded securities |
| Cash | Cash and cash equivalents |
| Share capital | Contributed equity |
| Options | Derivatives written over equity instruments that are valued at fair value through profit or loss |

Other terminology used in the report is defined as follows:

| Phrase | Definition |
|----------------------|---|
| Net operating result | Total operating income after operating expenses and income tax are deducted |

Djerriwarrh complies with International Financial Reporting Standards (IFRS). Djerriwarrh is a 'for profit' entity.

Djerriwarrh has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2022 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Djerriwarrh only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in Note A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and non-interest bearing monetary financial assets and liabilities of Djerriwarrh approximates their carrying value.

Rounding of Amounts

Djerriwarrh is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

F5. Associate Accounting

Associates are entities over which the Company has significant influence but not control, generally accompanied by a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost, in the Company's financial statements.

The Company has one associate – Australian Investment Company Services (AICS), incorporated in Australia, in which it has a 25 per cent shareholding. AICS provides investment and administrative services to the Company and to other Listed Investment Companies, including its Parent, Australian Foundation Investment Company (AFIC) which holds the other 75 per cent.

The Company's share of its associate's post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in net income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (1) the financial statements and notes set out on pages 24 to 43 are in accordance with the *Corporations Act 2001* including:
 - (a) complying with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



John Paterson
Chairman

Melbourne
19 July 2022

INDEPENDENT AUDIT REPORT



Independent auditor's report

To the members of Djerriwarrh Investments Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Djerriwarrh Investments Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
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INDEPENDENT AUDIT REPORT

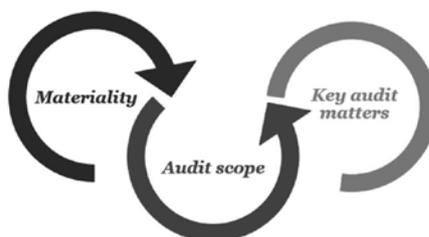
continued



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$7.14 million, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets as the benchmark because, in our view, net assets is:
 - the metric against which the performance of the Company is most commonly measured
 - the key driver of the business and the determinant of the Company's value.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures, and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Existence and valuation of Investment Portfolio <i>Refer to note A2</i></p> <p>\$783.9m</p> <p>The Investment Portfolio consists mainly of listed Australian equities.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income, which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p> | <ol style="list-style-type: none"> 1) Agreed all the investment quantity holdings at 30 June 2022 to third party registry sources 2) Obtained the purchases and sales listing for the year ended 30 June 2022, and <ul style="list-style-type: none"> • Agreed a sample of purchases and sales to original contracts; and • Agreed a sample of original contracts to the purchases and sales listing. 3) Performed a reconciliation of the opening investment balances and the number of units, plus addition/subtraction of purchases, sales and other relevant transactions, and agreeing back to the 30 June 2022 closing investment balances and units. 4) Agreed all listed equities investment prices to third party market pricing sources. |

INDEPENDENT AUDIT REPORT

continued



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Djerriwarrh Investments Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'Nadia Carlin'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin'.

Nadia Carlin
Partner

Melbourne
19 July 2022

OTHER INFORMATION

Information About Shareholders

At 18 July 2022 there were 16,815 holdings of ordinary shares. These holdings were distributed in the following categories:

| Size of Holding | Shareholdings (at 14 July 22) | Percentage of Shares in Issue |
|-------------------|----------------------------------|----------------------------------|
| 1 to 1,000 | 2,008 | 0.39 |
| 1,001 to 5,000 | 5,080 | 6.17 |
| 5,001 to 10,000 | 3,644 | 11.54 |
| 10,001 to 100,000 | 5,556 | 57.70 |
| 100,001 and over | 241 | 24.20 |
| Total | 16,529 | 100.00 |

| | |
|---------------------------------------|--------|
| 20 largest percentage held by holders | 9.4% |
| Average shareholding | 14,348 |

There were 493 shareholdings of less than a marketable parcel of \$500 (171 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, 1 vote for each shareholder; and
- (ii) on a poll, 1 vote for each fully paid ordinary share.

Major Shareholders

The 20 largest holdings of ordinary shares as at 18 July 2022 are listed below:

| Rank | Name | Shares | % Shares |
|------|--|-----------|----------|
| 1 | Australian Foundation Investment Company Limited | 7,505,346 | 3.16 |
| 2 | Bruce Teele | 2,547,318 | 1.07 |
| 3 | HSBC Custody Nominees (Australia) Limited | 2,516,520 | 1.06 |
| 4 | Miss Margaret Frances Erskine | 1,890,526 | 0.80 |
| 5 | John Paterson | 878,891 | 0.37 |
| 6 | Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C> | 637,634 | 0.27 |
| 7 | National Nominees Limited | 633,902 | 0.27 |
| 8 | Netwealth Investments Limited <Wrap Services A/C> | 585,456 | 0.25 |
| 9 | BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <Drp A/C> | 546,718 | 0.23 |
| 10 | Mr Bevan Robert Johnson + Mrs Karen Jane Johnson | 459,403 | 0.19 |
| 11 | Invia Custodian Pty Limited <Inverary Super Fund A/C> | 455,105 | 0.19 |
| 12 | Australian Executor Trustees Limited <No 1 Account> | 453,717 | 0.19 |
| 13 | P N B W Pty Ltd <F & Ja Arrowsmith Family A/C> | 420,156 | 0.18 |
| 14 | Lavender Purple Pty Ltd <Lavender Purple A/C> | 416,500 | 0.18 |
| 15 | Mr Gregory Bruce Hill | 410,000 | 0.17 |
| 16 | Ross Barker | 404,682 | 0.17 |
| 17 | Mr Ian Stanley Fraser + Mr Andrew Tweedie + Mr Andrew Stanley Fraser <Joe White Bequest Cap A/C> | 396,360 | 0.17 |
| 18 | Miss Lillian Johnson | 378,907 | 0.16 |
| 19 | Miss Grace Johnson | 378,906 | 0.16 |
| =19 | Mr Mason Johnson | 378,906 | 0.16 |

Sub-underwriting

During the year the Company did not participate as a sub-underwriter in any issues of securities.

Substantial Shareholders

The Company has not been notified of any substantial shareholders.

Transactions in Securities

During the year ended 30 June 2022, the Company recorded 1,575 transactions in securities (including options). \$1,272,319 (including GST) in brokerage was paid or accrued for the year.

Holdings of Securities

As at 30 June 2022

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Securities Exchange each month and recorded on the toll free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

| Code | Company Name | Number Held | Number Held | Market Value |
|------|---|--------------|--------------|----------------|
| | | 2021 '000 | 2022 '000 | 2022 \$'000 |
| AIA* | Auckland International Airport | 744 | 2,409 | 15,608 |
| ALQ | ALS | 127 | 127 | 1,361 |
| ALX* | Atlas Arteria | 1,634 | 959 | 7,301 |
| AMC* | Amcor | 1,108 | 293 | 4,896 |
| AMH | AMCIL | 10,599 | 10,599 | 11,394 |
| AMP | AMP | 602 | 602 | 575 |
| ANZ* | Australia and New Zealand Banking Group | 487 | 487 | 10,723 |
| ARB | ARB Corporation | 284 | 335 | 9,463 |
| ASX* | ASX | 385 | 258 | 20,976 |
| BHP* | BHP | 973 | 1,133 | 46,035 |
| BWP* | BWP Trust | 3,134 | 3,134 | 12,187 |
| BXB* | Brambles | 1,103 | 285 | 3,011 |
| CAR* | Carsales.com | 1,113 | 1,192 | 21,877 |
| CBA* | Commonwealth Bank of Australia | 352 | 461 | 41,511 |
| COH* | Cochlear | 0 | 37 | 7,378 |
| COL* | Coles Group | 934 | 1,536 | 27,241 |
| CPU* | Computershare | 107 | 46 | 1,123 |
| CSL* | CSL | 184 | 188 | 50,422 |
| DMP | Domino's Pizza Enterprises | 0 | 78 | 5,321 |
| EQT | EQT Holdings | 675 | 804 | 21,067 |
| FCL | FINEOS Corporation | 1,105 | 1,399 | 2,070 |
| FPH | Fisher & Paykel Healthcare Corporation | 344 | 396 | 7,056 |
| GMG* | Goodman Group | 1,068 | 677 | 12,070 |
| IAG* | Insurance Australia Group | 3,304 | 3,304 | 14,343 |
| IRE* | IRESS | 1,476 | 1,206 | 13,828 |
| IVC | InvoCare | 616 | 406 | 4,247 |
| JBH* | JB Hi-Fi | 0 | 480 | 18,443 |
| JHX | James Hardie Industries | 314 | 645 | 20,492 |
| MFT | Mainfreight (NZX listed) | 275 | 275 | 17,380 |
| MGR | Mirvac Group | 4,113 | 8,900 | 17,578 |
| MIR | Mirrabooka Investments | 4,215 | 4,215 | 12,349 |
| MQG* | Macquarie Group | 158 | 160 | 26,288 |

| Code | Company Name | Number Held | Number Held | Market Value |
|--------------|--------------------------------------|--------------|--------------|----------------|
| | | 2021 '000 | 2022 '000 | 2022 \$'000 |
| NAB* | National Australia Bank | 1,024 | 629 | 17,173 |
| NWL | Netwealth Group | 384 | 384 | 4,669 |
| PNI | Pinnacle Investment Management Group | 433 | 1,144 | 8,039 |
| PXA | PEXA Group | 292 | 292 | 4,054 |
| REA | REA Group | 0 | 71 | 7,940 |
| REH | Reece | 323 | 410 | 5,649 |
| RHC* | Ramsay Health Care | 187 | 200 | 14,316 |
| RIO* | Rio Tinto | 79 | 59 | 6,052 |
| RMD | ResMed | 348 | 288 | 8,823 |
| SCP | SCA Property Group | 0 | 3,005 | 8,264 |
| SEK* | Seek | 227 | 195 | 4,094 |
| SHL | Sonic Healthcare | 124 | 57 | 1,870 |
| STO* | Santos | 0 | 1,373 | 10,149 |
| TCL* | Transurban Group | 3,136 | 3,484 | 49,717 |
| TLS* | Telstra Corporation | 7,875 | 5,122 | 19,626 |
| TPW | Temple & Webster | 452 | 452 | 1,502 |
| WBC* | Westpac Banking Corporation | 1,917 | 2,146 | 41,832 |
| WDS* | Woodside Energy | 360 | 322 | 10,174 |
| WES* | Wesfarmers | 350 | 828 | 34,630 |
| WOW* | Woolworths | 1,108 | 1,051 | 37,322 |
| Total | | | | 781,510 |

* Indicates that options were outstanding against part the holding.

Major Transactions in the Investment Portfolio

| Acquisitions | Cost (\$'000) |
|---|--------------------------|
| Wesfarmers | 27,110 |
| JB Hi-Fi | 21,911 |
| James Hardie Industries | 20,160 |
| Commonwealth Bank | 19,037 |
| BHP | 18,066 |
| Macquarie Group (includes \$5 million from participation in placement at \$194 per share) | 15,977 |
| Coles | 13,969 |

| Disposals | Proceeds (\$'000) |
|---|------------------------------|
| Sydney Airport* | 22,916 |
| Macquarie Group (because of the exercise of call options) | 14,130 |
| Amcor (the majority of which was because of the exercise of call options) | 13,391 |
| National Australia Bank (because of the exercise of call options) | 12,912 |
| Woolworths (because of the exercise of call options) | 12,800 |
| Oil Search* (because of merger with Santos) | 12,355 |

* Complete disposal.

New Companies Added to the Portfolio

JB Hi-Fi
 Santos (because of merger with Oil Search)
 REA Group
 Domino's Pizza Enterprises
 SCA Property Group
 Cochlear

Issues of Securities

| Issue | Type | Price | Remarks |
|-------------------|------------------------|-------|--|
| 23 February 2022 | DRP/DSSP | 3.12 | Nil discount |
| 27 August 2021 | DRP/DSSP | 3.10 | Nil discount |
| 3 March 2021 | SPP-DJWN | 2.85 | Nil discount |
| 22 February 2021 | DRP/DSSP | 2.89 | Nil discount |
| 28 August 2020 | DRP/DSSP | 2.52 | Nil discount |
| 20 February 2020 | DRP | 3.26 | 5 per cent discount |
| 27 August 2019 | DRP | 3.31 | 2.5 per cent discount |
| 21 February 2019 | DRP | 3.03 | 5 per cent discount |
| 27 August 2018 | DRP | 3.29 | 2.5 per cent discount |
| 21 February 2018 | DRP | 3.33 | 5 per cent discount |
| 25 August 2017 | DRP | 3.44 | 5 per cent discount |
| 21 February 2017 | DRP | 3.53 | 5 per cent discount |
| 24 August 2012 | DRP | 3.66 | 2.5 per cent discount |
| 17 February 2012 | DRP | 3.59 | 2.5 per cent discount |
| 24 August 2011 | DRP | 3.47 | 2.5 per cent discount |
| 18 February 2011 | DRP | 4.05 | 2.5 per cent discount |
| 24 August 2010 | DRP | 3.89 | 5 per cent discount |
| 19 February 2010 | DRP | 4.16 | 5 per cent discount |
| 25 August 2009 | DRP | 4.02 | 5 per cent discount |
| 20 February 2009 | DRP | 3.07 | 5 per cent discount |
| 15 August 2008 | DRP | 4.10 | - |
| 16 February 2008 | DRP | 5.05 | - |
| 9 August 2007 | DRP | 5.11 | - |
| 12 March 2007 | DRP | 4.78 | - |
| 11 October 2006 | Rights issue | 4.00 | 1 to 5 rights Issue |
| 10 August 2006 | DRP | 4.62 | - |
| 8 March 2006 | DRP | 4.29 | - |
| 26 August 2005 | DRP | 3.95 | - |
| 16 March 2005 | DRP | 3.68 | - |
| 26 August 2004 | DRP | 3.43 | - |
| 9 July 2004 | Convertible note issue | 3.90 | Maturing 30 September 2009 |
| 5 March 2004 | DRP | 3.48 | - |
| 22 December 2003 | SAP | 3.22 | - |
| 22 August 2003 | DRP | 3.50 | - |
| 7 March 2003 | DRP | 3.27 | - |
| 19 December 2002 | SAP | 3.14 | - |
| 19 August 2002 | SAP | 3.57 | - |
| 7 March 2002 | DRP | 3.73 | - |
| 4 October 2001 | SAP | 3.51 | - |
| 29 June 2001 | DRP | 3.53 | - |
| 8 March 2001 | DRP | 3.15 | - |
| 16 August 2000 | DRP | 3.27 | - |
| 27 April 2000 | SAP | 3.28 | - |
| 7 March 2000 | DRP | 3.47 | - |
| 11 August 1999 | DRP | 3.54 | - |
| 28 April 1999 | SAP | 3.36 | - |
| 15 March 1999 | DRP | 3.47 | - |
| 11 September 1998 | DRP | 3.27 | - |
| 27 March 1998 | DRP | 3.60 | - |
| 30 October 1997 | Rights issue | 4.00 | 1 to 5 rights issue of convertible notes |
| 11 September 1997 | DRP | 3.35 | - |
| 27 March 1997 | DRP | 2.76 | - |
| 13 September 1996 | DRP | 2.58 | - |
| 29 March 1996 | DRP | 2.73 | - |
| 27 September 1995 | DRP | 2.47 | - |
| 22 June 1995 | New issue | 2.60 | - |
| 24 March 1995 | DRP | 2.34 | - |
| 23 September 1994 | DRP | 2.34 | - |
| 21 June 1994 | New issue | 2.57 | - |
| 31 March 1994 | DRP | 2.56 | - |
| 24 September 1993 | DRP | 2.30 | - |
| 26 March 1993 | DRP | 2.13 | - |
| 25 September 1992 | DRP | 2.17 | - |
| 1 January 1992 | New issue | 2.29 | - |
| 18 June 1990 | New issue | 2.00 | - |
| 9 April 1990 | New issue | 2.00 | - |
| 22 December 1989 | Initial allotment | 2.00 | - |

Note that for the shares issued under the DSSP, the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

Company Particulars

Djerriwarrh Investments Limited

ABN 38 006 862 693

Directors

John Paterson, Chairman
Robert M Freeman, Managing Director
Bruce R Brook
Kathryn J Fagg AO
Graham B Goldsmith AO
Alice JM Williams
Karen J Wood

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@djerrri.com.au
Website djerrri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 915
+61 3 9415 4190 (from overseas)
Facsimile (03) 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the Share Registrar as above.

Securities Exchange Code

DJW Ordinary shares

Annual General Meeting

Time 10.00am
Date Thursday 13 October 2022
Venue Melbourne City Conference Centre
Location 333 Swanston Street
Melbourne Victoria 3000

The AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Adelaide Shareholder Meeting

Time 12.00pm
Date Monday 17 October 2022
Venue Adelaide Convention Centre
North Terrace Adelaide
Location Hall E1 and E2

Perth Shareholder Meeting

Time 12.00pm
Date Tuesday 18 October 2022
Venue Perth Convention Centre
21 Mounts Bay Road Perth
Location Meeting Rooms 1 and 2

Canberra Shareholder Meeting

Time 12.00pm
Date Friday 21 October 2022
Venue Park Hyatt Hotel
120 Commonwealth Avenue Canberra
Location Federation Ballroom

Brisbane Shareholder Meeting

Time 12.00pm
Date Monday 24 October 2022
Venue Brisbane Convention Centre
Cnr Merivale and Glenelg Streets
South Bank Brisbane
Location Sky Room

Sydney Shareholder Meeting

Time 12.00pm
Date Tuesday 25 October 2022
Venue Wesley Conference Centre
220 Pitt Street Sydney
Location Auditorium





Annual Review
2022



DJERRIWARRH INVESTMENTS LIMITED IS A LISTED INVESTMENT COMPANY 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.

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Year in Summary

| | 2022 | | |
|---------------------------------|------------------------------|-----------------|--|
| Profit for the Year | \$44.5m | | Up 45.9 per cent from 2021 |
| Net Operating Result | \$40.4m | | Up 29.3% from 2021 |
| Fully Franked Dividend | 7.0¢ Final | 13.75¢ Total | 11 cents total in 2021 |
| Portfolio Dividend Yield | 6.7% Including franking* | | S&P/ASX 200 Index Yield 5.1% (grossed up for franking credits) |
| Management Expense Ratio | 0.45% | | 0.45% in 2021 |
| Total Portfolio Return | -6.5% Including franking* | | S&P/ASX 200 Accumulation Index including franking* -5.1% |
| Total Portfolio | \$783.0m | | Including cash at 30 June. \$839.8 million in 2021 |

* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

Net Profit After Tax (\$ Million)

| | |
|------|------|
| 2022 | 44.5 |
| 2021 | 30.5 |
| 2020 | 32.9 |
| 2019 | 34.3 |
| 2018 | 31.4 |

Net Operating Result (\$ Million)

| | |
|------|------|
| 2022 | 40.4 |
| 2021 | 31.3 |
| 2020 | 28.1 |
| 2019 | 37.6 |
| 2018 | 36.0 |

Dividends Per Share (Cents)^(a)

| | |
|------|-------|
| 2022 | 13.75 |
| 2021 | 11 |
| 2020 | 14 |
| 2019 | 20 |
| 2018 | 20 |

Investments at Market Value (\$ Million)^(b)

| | |
|------|-------|
| 2022 | 781.5 |
| 2021 | 838.6 |
| 2020 | 678.7 |
| 2019 | 786.0 |
| 2018 | 758.5 |

Net Asset Backing Per Share (Cents)^(c)

2022 295

2021 332

2020 270

2019 331

2018 331

Number of Shareholders (30 June)

2022 16,546

2021 16,797

2020 17,301

2019 17,554

2018 18,087

Notes

- (a) All dividends were fully franked.
For 2021 the final dividend carried attributable LIC gain of 1.43 cents per share. For 2020 nil. For 2019 the final dividend carried attributable LIC gain of 4.29 cents per share and the interim dividend carried an attributable LIC gain of 7.14 cents per share. For 2018 the dividend carried attributable LIC gain of 14.28 cents per share.
- (b) Excludes cash.
- (c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

About the Company

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.

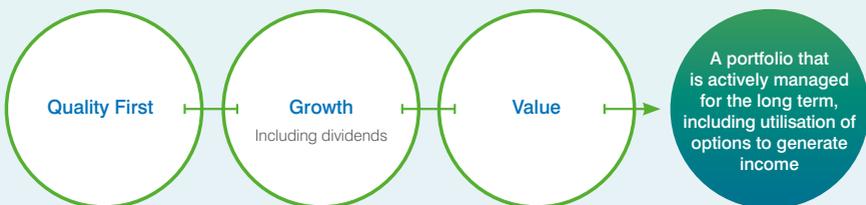
Investment Objectives

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.

How Djerriwarrh Invests – What We Look For in Companies



Investment Philosophy

The investment philosophy is built on taking a medium to long term view on holding positions in the portfolio with an emphasis on identifying quality companies that are likely to sustainably grow their earnings and dividends over this time frame.

Quality in this context is an outcome of our assessment of the board and management as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in this industry are also an important indicator of quality.

Linked to the assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend growth.

The view of value of a company is not just based on short term measures of the price earnings ratio and other valuation metrics; rather, value is assessed against our long term investment horizon.

The final component of Djerriwarrh's ability to pay a higher yield is its approach to selling options over part of its investment and trading portfolios. This generates current income from the option premium Djerriwarrh receives for selling the options.

The amount that the Company receives from selling options depends on a number of factors:

- level of volatility in share price anticipated for the underlying stock;

- level of the option exercise price and particularly how far it is from the current share price;
- time to expiry, i.e. how far the option has to run;
- level of interest rates: the lower interest rates are, other things being equal, the lower the option premium received; and
- the percentage of the portfolio over which we are prepared to sell options.

It is our preference for the options to either lapse at expiry or, prior to exercise, to seek to buy the options back and sell new options further out and preferably at a higher exercise price. From time to time, where the share price increases strongly, we do take decisions to allow the shares to be exercised when we have formed the view that it is economic to allow that to occur. Gains or losses on disposals of investments upon the exercise of such options, after applicable tax, are taken to the realised capital gains reserve. Any gains when taxed are available for distribution to shareholders as fully franked dividends. It should be noted option positions are monitored daily and the portfolio is managed to try and maintain an appropriate balance between capital growth and income generation.

Djerriwarrh also has access to lines of credit, which allows the Company to gear its balance sheet when appropriate investment returns are available to enhance shareholder returns.

When it is appropriate, exposure to rising interest rates is also capped.

About the Company

continued

Approach to Investing continued

Approach to Environmental, Social and Governance (ESG) Issues

Environmental, Social and Governance (ESG) issues are taken into account as part of our investment process when assessing companies. 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 given the potential for these factors to impact investment performance. We are also closely monitoring the development of international standards for ESG reporting as these may further inform our approach going forward.

We regularly review and meet with companies to ensure ongoing alignment of ESG issues with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.

As reporting becomes more standardised, assessment of commitments and plans by companies to reach net zero by 2050 will also be considered having regard

to the industry in which it operates, their progress against these plans and their broader contribution to social good in addressing the challenge of reducing global carbon emissions. In applying external data for benchmarking*, the current carbon intensity of Djerriwarrh's portfolio is considerably less than the S&P/ASX 200 Index.

- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. Where appropriate, we consider a range of matters including safety, diversity and modern slavery as part of the investment process.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

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 take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all company resolutions as part of our regular engagement with the companies in the portfolio. Our voting record is on the Company's website.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests. We acknowledge that high-quality companies may face ESG challenges. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

* Data provided by ISS ESG. Portfolio at 30 June 2022.



— Review of Operations and Activities —

Profit

The full year profit was \$44.5 million, up from \$30.5 million in the previous corresponding period. The profit to 30 June 2022 includes a dividend of \$6.5 million (which was non-cash but carries franking credits with it) resulting from the BHP Petroleum/Woodside merger. Last year's figure included a demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths. Excluding both one-offs, the full year profit for the financial year to 30 June 2022 was \$38.0 million, up from \$24.2 million in the previous corresponding period.

Key components of the result were:

- income from investments, up from \$28.0 million last year to \$37.2 million this financial year; and
- income from option activity was \$12.5 million, slightly ahead of the corresponding period last year of \$12.1 million.

Net operating result (which excludes the impact of open option positions and is considered a better measure of the Company's income from its investment activities and is the figure Directors consider when setting the dividend) was \$40.4 million. Excluding the merger dividend, this figure is \$33.9 million. The figure for the net operating result for the prior corresponding period last year was \$31.3 million. Excluding the demerger dividend received of \$6.3 million resulting from the Endeavour Group demerger from Woolworths last year's figure was \$25.0 million.

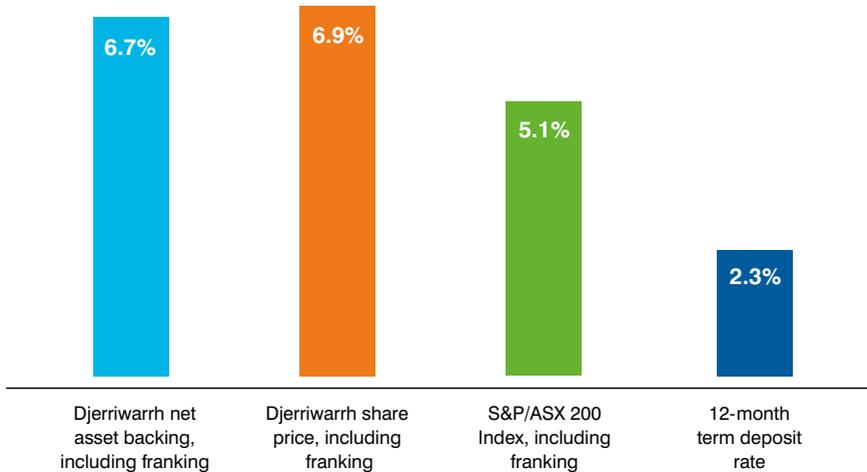
Dividend

Djerriwarrh seeks to provide an enhanced level of fully franked income that is higher than is available from the S&P/ASX 200 Index, and which is delivered at a low cost to shareholders. The enhanced yield is achieved through a bias to investing in companies with higher dividend income, produced over the short and long term, as well as using option strategies to generate additional income.

The level of dividend declared each period is determined by taking into consideration the net operating result (which is made up of the dividends received from the companies that Djerriwarrh invests in, as well as the income generated from option strategies) and a prudent distribution of realised capital gains when available. The Company believes the net operating result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities.

The net operating result per share for the 12 months to 30 June 2022 (excluding the BHP Petroleum/Woodside merger dividend) was 14.3 cents per share, up from 10.9 cents per share in the corresponding period last year (excluding the Endeavour Group non-cash demerger dividend).

Figure 1: Yield at 30 June 2022 (Based on the Interim Dividend Paid and Final Dividend Declared)



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

Directors have declared a final dividend of 7.0 cents per share, up 21.7 per cent from 5.75 cents per share fully franked for the corresponding period last year, bringing total dividends for the year to 13.75 cents per share fully franked. Total dividends for the corresponding period last year were 11.0 cents per share fully franked. Total dividends for the year have increased 25.0 per cent over last financial year.

Based on the total dividend for the year, the dividend yield on the net asset backing at 30 June 2022 was 4.7 per cent and 6.7 per cent, grossed up for franking credits (assuming a shareholder can take full advantage of the franking credits).

Based on the net asset backing and including franking, this represents a yield 1.6 percentage points higher than that available from the S&P/ASX 200 Index. Based on the share price of \$2.86 (at 30 June 2022), the yield was 4.8 per cent and 6.9 per cent, grossed up for franking.

Review of Operations and Activities

continued

Market and Portfolio Performance

The Australian equity market remained buoyant in the first half of the 2021/2022 financial year as low interest rates and increased economic activity following the COVID-19 pandemic provided a supportive backdrop to the market.

The equity market then fell sharply at the start of the 2022 calendar year as the threat of higher inflation and increased interest rates became more apparent as supply chains become strained and energy prices increased. As global central banks continued to raise rates more aggressively over the remainder of the 2021/2022 financial year the S&P/ASX 200 Accumulation Index returned negative 6.5 per cent for the 12 months to June 2022, with a strong divergence of performance across sectors.

Utilities and Energy were the standout sectors, returning 36.0 per cent and 30.1 per cent respectively. Information Technology and Consumer Discretionary were the worst performing sectors for the financial year, down 38.2 per cent and 20.9 per cent respectively.

Djerriwarrh's total portfolio return, including franking, for the 12 months to 30 June 2022 was negative 6.5 per cent. This was slightly below the S&P/ASX 200 Accumulation Index, including franking, of negative 5.1 per cent.

Some of the best performing stocks held in the Djerriwarrh portfolio included Woodside Energy, Sydney Airport, Computershare and Atlas Arteria. In contrast Temple & Webster, FINEOS Corporation, Domino's Pizza Enterprises and Reece substantially underperformed.

Figure 2: Performance of S&P/ASX 200 Price Index



Figure 3: Key Sector Performance for the 12 months to 30 June 2022

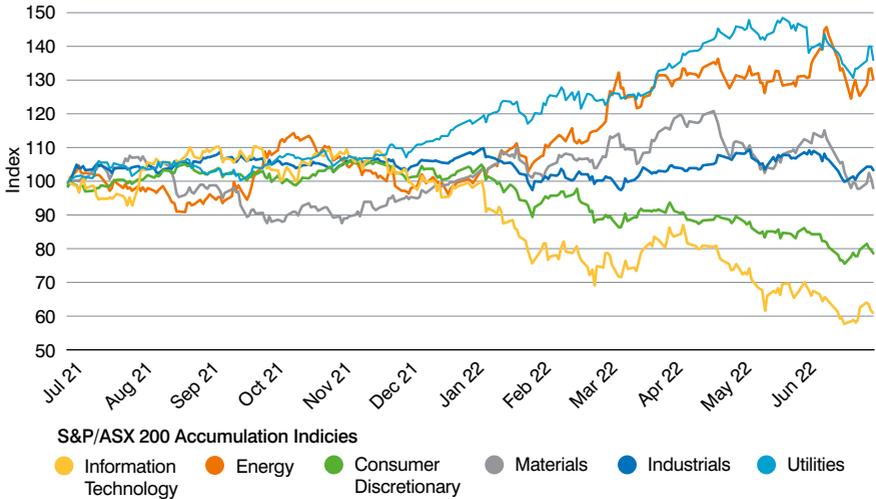
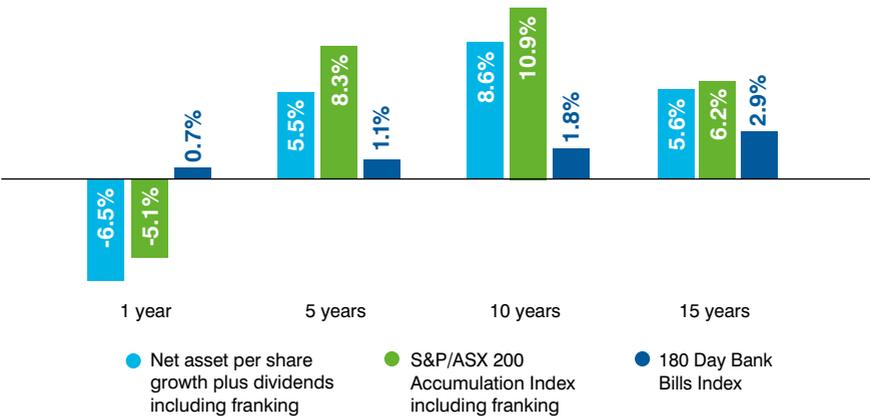


Figure 4: Portfolio Performance to 30 June 2022 – Per Annum Returns, Including the Benefit of Franking Credits*



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

Note: Djerriwarrah's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax paid on realised sales of investments. It should be noted that Index returns for the S&P/ASX 200 do not include management expenses and tax.

— Review of Operations and Activities —

continued

Portfolio Adjustments

We continue to focus on constructing a portfolio that will deliver a suitable balance between short term income yield and long term growth in capital and income. We also have to be prepared to reinvest potential sizeable option exercise proceeds which typically occur in rising markets at appropriate times.

Major purchases for the 12-month period focused on high-quality companies that we have assessed as being able to deliver the right mix of income and growth for the portfolio. As a result, significant increases were made to existing holdings in companies such as Wesfarmers, James Hardie, Commonwealth Bank, BHP, Macquarie Group and Coles Group. A number of new stocks were also added to the portfolio. This included positions in JB Hi-Fi, REA Group, Domino's Pizza

Enterprises, SCA Property Group and Cochlear. The holding in Oil Search switched to Santos as a result of the merger of the two companies.

Major sales from the portfolio were largely a result of call option exercises. This included positions in Macquarie Group, National Australia Bank, Woolworths Group, ASX and BHP. We reduced our positions in Amcor and Brambles (some were sold because of the exercise of call options), and Woodside, and completely exited a number of holdings including Sydney Airport (as a result of a takeover), APA Group, Endeavour Group, AUB, Origin Energy, Alumina and Orica.

At 30 June 2022, the investment portfolio comprised holdings in 52 ASX and NZX listed companies with a total market value of \$783.9 million.



Djerriwarrh utilises debt to take advantage of returns from investment opportunities on offer. At 30 June 2022, the Company had \$89.0 million of debt with a cash or near cash position of \$5.1 million.

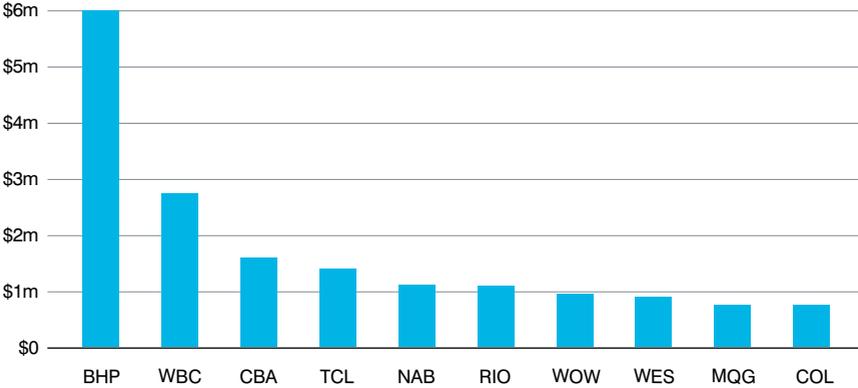
Market Dividends

At the market level, ASX 200 dividends were higher overall for the 12 months to 30 June 2022 as compared to the previous 12-month period. This was largely driven by BHP, which continues to benefit from higher iron ore prices. Each of the four major banks: ANZ, Commonwealth Bank, National Australia Bank and Westpac were also strong contributors. The banks benefited from the unwinding of impairment provisions taken during the early days of the

pandemic, which proved to be overly conservative given the subsequent strong economic growth in Australia. Dividends from other large industrial companies were mixed. CSL saw good dividend growth, Coles Group was slightly up, Telstra was flat, and ASX and Carsales.com were slightly down.

At the Company level, Djerriwarrh's dividend and distribution income, excluding non-cash merger/demerger dividends was up 41.5 per cent to \$30.7 million. The strength in dividends from BHP and the banks was the key driver of this. Figure 5 shows the top 10 contributors to Djerriwarrh's dividend and distribution income in the financial year for 2021/2022 excluding merger dividends.

Figure 5: Profile of Dividend Income Received in Financial Year 2022 by Holding



— Review of Operations and Activities —

continued

In terms of dividend yield, Djerriwarrh's dividend and distribution income (excluding non-cash merger/demerger dividends) equated to a yield of 3.9 per cent (measured using 30 June 2022 portfolio value). The dividend yield of the S&P/ASX 200 Index was also 3.9 per cent on an equivalent basis, but including non-cash merger dividends. The five-year performance of these metrics is shown in Figure 6.

Option Activity

This year's option income result was pleasing, especially given the low level of volatility that prevailed for much of the period (Figure 7).

Volatility was low between July 2021 and December 2021, before spiking in January 2022 during the equity market sell-off. It finished the year at an elevated level reflecting the equity market's concerns around interest rates and economic growth.

For the 12 months to June 2022 equity market volatility averaged 14.2 per cent, which was down on previous two financial years (Figure 8 on page 16).

Djerriwarrh's option income was up 3.3 per cent to \$12.5 million. Selling call options contributed the majority of our overall option income at \$11.8 million.

Some of the key moves in Djerriwarrh's average portfolio call option coverage of the portfolio saw high coverage (40 per cent) in August and September 2021 when the market was also at a high

level. This allowed us to lock in significant profits in the resulting market sell off as we closed many 'out of the money' positions.

When the market was significantly lower in February and March 2022, our call option coverage was also much lower at 25 per cent. This enabled us to preserve some upside to capital growth when the market temporarily rebounded in April and May 2022, by which time our call option coverage had increased to 30 per cent. Call option coverage finished the financial year at 28 per cent (Figure 9 on page 16).

Selling put options also contributed \$0.7 million to our overall option income. We were not exercised on any of these put positions which was a good outcome.

Share Price

The share price traded at a discount of 3 per cent to net asset backing at 30 June 2022. This is in contrast to the discount of 8 per cent that was evident at 30 June 2021 (Figure 10 on page 17).

Outlook

Equity market conditions have changed dramatically from the beginning of this calendar year. There has been a significant downward repricing of equities, which have been a beneficiary of record low interest rates for much of the post-2008 financial crisis era. The risk of tighter monetary policy tipping major economies, especially the United States, into recession is now an extra concern weighing on the share market.

Figure 6: Dividend and Distribution Income Yield for Djerriwarrh Versus the ASX 200

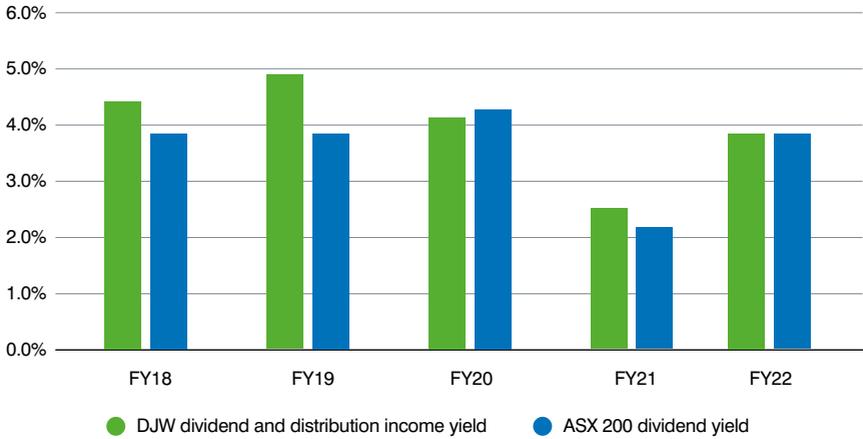
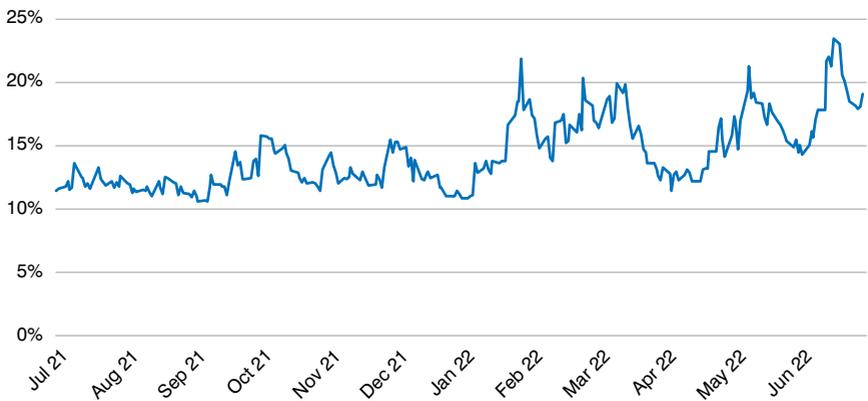


Figure 7: Volatility of the Market for the Financial Year



Review of Operations and Activities

continued

Figure 8: Average Volatility of the Market for the Last Five Financial Years

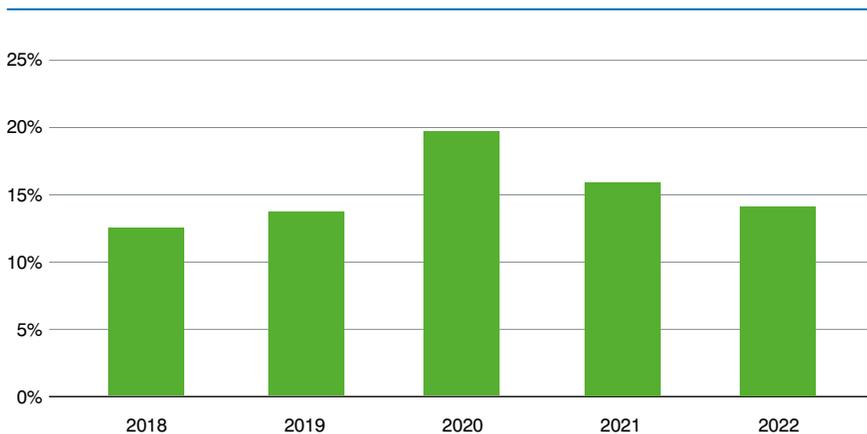


Figure 9: Option Coverage as a Percentage of the Portfolio



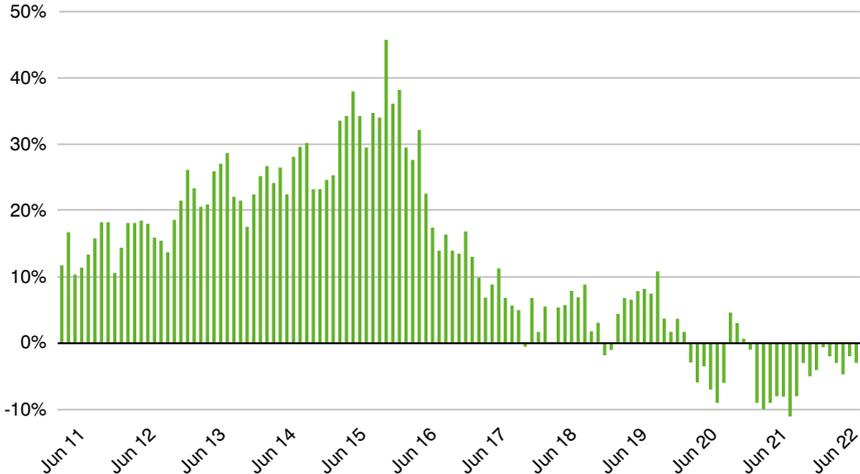
As a result, the company reporting season in Australia takes on even greater importance. Equity valuations have come down as a result of economic conditions, but market earnings estimates have not reduced much. There is a risk of reported results and outlook statements disappointing, with lower revenue and higher costs a real possibility, which would make profit and dividend growth harder to deliver for many companies.

We think this is most relevant for industrial companies, as we see banks and diversified financial companies as

being relatively well placed for the next 12 months. In the case of resources, we expect strong dividends in the first half of the 2022/2023 financial year, but potentially reducing at some point thereafter when commodity prices such as iron ore and oil revert towards long term price assumptions.

Under these circumstances, the outlook for Djerriwarrh's dividend and distribution income for the 2022/2023 financial year remains uncertain, and we expect to be in a better position to assess this post the Australian profit reporting season.

Figure 10: Share Price Premium to Net Asset Banking



— Review of Operations and Activities —

continued

In terms of our option income, recent higher equity market volatility levels, as well as higher interest rates, are a positive for option premiums and hence the ability to earn option income as a seller of call and put options. Balancing this out somewhat is the likelihood that we will have lower call option coverage if the market remains at these lower levels compared to last year.

The current positioning of the options book is encouraging. Only a small amount of our option positions are currently 'in the money', which is positive in terms of our ability to earn option income and deliver attractive portfolio returns. In addition, a good amount of premium has already been written for the 2022/2023 financial year.

However, the value of these positions can change quickly and significantly in response to major market moves. This means daily active management of the options portfolio remains a key part of our investment process.

Irrespective of market conditions over the next 12 months, we believe that the current portfolio settings and positioning should enable Djerrriwarrh to achieve its objectives of delivering an enhanced level of fully franked income above the market and an attractive total return over the long term.

Directorship Matters

Mr John Paterson, the Chairman of the Company has advised that he will retire at the conclusion of the Annual General Meeting to be held on 13 October 2022.

Mr Paterson has been a Director since 2002, appointed deputy Chairman in September 2009 and Chairman since October 2013. The Board wishes to record its deep thanks to Mr Paterson for his invaluable contribution to the Board deliberations over the last 20 years. His deep understanding of the investment industry has been of outstanding value to the Board, Executives and shareholders of Djerrriwarrh Investments Limited.

Mr Graham Goldsmith has been elected as the Chairman with effect from the conclusion of the Annual General Meeting on 13 October 2022. Mr Goldsmith has been an independent Non-Executive Director since April 2013 and was appointed Deputy Chairman in May 2020. He is a member of the Company's Investment and Nomination Committees and is a Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited.

He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a Panel Member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.

Mr Geoffrey Roberts has been appointed as a Non-Executive Director of the Company, effective 20 July 2022.

Mr Roberts has over 35 years finance experience, including as Group Chief Financial Officer of Seek Limited, Managing Partner of Deloitte Victoria, and as Group Chief Financial Officer of AXA Asia Pacific for seven years. Mr Roberts was appointed to the Board of JB Hi Fi Limited in January 2021 and the Melbourne Cricket Club Committee in March 2019 and was formerly a Director of AMP Limited.

He holds an Executive MBA from the Australian Graduate School of Management and is a Fellow of both the Institute of Chartered Accountants and the Australian Institute of Company Directors.

We are delighted to welcome Mr Roberts to the Board. The broad range of experience he has across a

range of sectors will be of significant value to our discussions and his depth of understanding in senior executive leadership roles will complement the Board's existing mix of skills and experience. Mr Roberts will stand for election at the upcoming Annual General Meeting of the Company.

Share Purchase Plan

At 30 June 2022, Djerriwarrh was fully invested. Given expected opportunities in the market a Share Purchase Plan (SPP) was announced to provide additional funds for the portfolio. Details were sent to shareholders on 26 July 2022, with the SPP offer closing on 18 August 2022. The outcome of the SPP was announced separately via the ASX.



Top 20 Investments

As at 30 June 2022

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 June 2022

| | | Total Value \$ Million | % of the Portfolio |
|--------------|---------------------------------|---------------------------|-----------------------|
| 1 | CSL* | 50.4 | 6.5 |
| 2 | Transurban Group* | 49.7 | 6.4 |
| 3 | BHP* | 46.0 | 5.9 |
| 4 | Westpac Banking Corporation* | 41.8 | 5.4 |
| 5 | Commonwealth Bank of Australia* | 41.5 | 5.3 |
| 6 | Woolworths Group* | 37.3 | 4.8 |
| 7 | Wesfarmers* | 34.6 | 4.4 |
| 8 | Coles Group* | 27.2 | 3.5 |
| 9 | Macquarie Group* | 26.3 | 3.4 |
| 10 | Carsales.com* | 21.9 | 2.8 |
| 11 | EQT Holdings | 21.1 | 2.7 |
| 12 | ASX* | 21.0 | 2.7 |
| 13 | James Hardie Industries | 20.5 | 2.6 |
| 14 | Telstra Corporation* | 19.6 | 2.5 |
| 15 | JB Hi-Fi* | 18.4 | 2.4 |
| 16 | Mirvac Group | 17.6 | 2.2 |
| 17 | Mainfreight | 17.4 | 2.2 |
| 18 | National Australia Bank* | 17.2 | 2.2 |
| 19 | Auckland International Airport* | 15.6 | 2.0 |
| 20 | Insurance Australia Group* | 14.3 | 1.8 |
| Total | | 559.6 | |

As percentage of total portfolio value (excludes cash) **71.6%**

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

Income Statement

For the Year Ended 30 June 2022

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Dividends and distributions | 37,210 | 28,006 |
| Revenue from deposits and bank bills | 2 | 4 |
| Total revenue | 37,212 | 28,010 |
| Net gains/(losses) on trading portfolio | (30) | 70 |
| Income from options written portfolio | 12,524 | 12,129 |
| Income from operating activities | 49,706 | 40,209 |
| Finance costs | (1,420) | (1,815) |
| Administration expenses | (3,808) | (3,320) |
| Operating result before income tax | 44,478 | 35,074 |
| Income tax | (4,039) | (3,789) |
| Net operating result | 40,439 | 31,285 |
| Net capital gains/(losses) on options | | |
| Net gains/(losses) on open options positions | 5,843 | (1,104) |
| Tax expense on above | (1,753) | 331 |
| | 4,090 | (773) |
| Profit for the year | 44,529 | 30,512 |
| | Cents | Cents |
| Net operating result per share | 17.08 | 13.70 |
| Profit for the year per share | 18.81 | 13.36 |

Balance Sheet

As at 30 June 2022

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Current assets | | |
| Cash | 1,454 | 1,236 |
| Receivables | 3,677 | 5,295 |
| Trading portfolio | 974 | 1,019 |
| Total current assets | 6,105 | 7,550 |
| Non-current assets | | |
| Investment portfolio | 783,888 | 849,078 |
| Deferred tax assets – investment portfolio | 15,415 | - |
| Deferred tax assets – other | 3,746 | 6,136 |
| Shares in associate | 1,086 | 1,066 |
| Total non-current assets | 804,135 | 856,280 |
| Total assets | 810,240 | 863,830 |
| Current liabilities | | |
| Payables | 2,180 | 78 |
| Borrowings – cash advance facilities | 89,000 | 65,000 |
| Interest rate hedging contracts | - | 83 |
| Tax payable | 1,344 | 2,588 |
| Options written portfolio | 3,352 | 11,544 |
| Total current liabilities | 95,876 | 79,293 |
| Non-current liabilities | | |
| Deferred tax liabilities – investment portfolio | - | 15,828 |
| Total non-current liabilities | - | 15,828 |
| Total liabilities | 95,876 | 95,121 |
| Net assets | 714,364 | 768,709 |
| Shareholders' equity | | |
| Share capital | 689,325 | 686,297 |
| Revaluation reserve | 9,167 | 85,822 |
| Realised capital gains reserve | (71,008) | (74,712) |
| Retained profits | 86,880 | 71,385 |
| Interest rate hedging reserve | - | (83) |
| Total shareholders' equity | 714,364 | 768,709 |

Summarised Statement of Changes in Equity

For the Year Ended 30 June 2022

| | 2022 \$'000 | 2021 \$'000 |
|---|-----------------|----------------|
| Total equity at the beginning of the year | 768,709 | 636,845 |
| Dividends paid | (29,034) | (23,457) |
| Shares issued – Dividend Reinvestment Plan | 3,043 | 2,411 |
| Shares issued – Share Purchase Plan | - | 31,141 |
| Cost of share issues | (15) | (109) |
| Total transactions with shareholders | (26,006) | 9,986 |
| Profit for the year | 44,529 | 30,512 |
| Revaluation of investment portfolio | (103,590) | 133,166 |
| Provision for tax on revaluation | 30,639 | (42,193) |
| Net revaluation of investment portfolio | (72,951) | 90,973 |
| Net movement in fair value for interest rate swaps | 83 | 393 |
| Total comprehensive income for the year | (28,339) | 121,878 |
| Realised gains/(losses) on securities sold | 4,308 | (20,303) |
| Tax expense on realised gains or losses on securities sold | (604) | 4,915 |
| Net realised gains/(losses) on securities sold | 3,704 | (15,388) |
| Transfer from revaluation reserve to realised gains reserve | (3,704) | 15,388 |
| Total equity at the end of the year | 714,364 | 768,709 |

A full set of Djerrriwarrh's final accounts are available on the Company's website.

Holdings of Securities

At 30 June 2022

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Securities Exchange each month and recorded on the toll free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

| Code | Company Name | Number Held 2021 '000 | Number Held 2022 '000 | Market Value 2022 \$'000 |
|------|---|-----------------------------|-----------------------------|--------------------------------|
| AIA* | Auckland International Airport | 744 | 2,409 | 15,608 |
| ALQ | ALS | 127 | 127 | 1,361 |
| ALX* | Atlas Arteria | 1,634 | 959 | 7,301 |
| AMC* | Amcor | 1,108 | 293 | 4,896 |
| AMH | AMCIL | 10,599 | 10,599 | 11,394 |
| AMP | AMP | 602 | 602 | 575 |
| ANZ* | Australia and New Zealand Banking Group | 487 | 487 | 10,723 |
| ARB | ARB Corporation | 284 | 335 | 9,463 |
| ASX* | ASX | 385 | 258 | 20,976 |
| BHP* | BHP | 973 | 1,133 | 46,035 |
| BWP* | BWP Trust | 3,134 | 3,134 | 12,187 |
| BXB* | Brambles | 1,103 | 285 | 3,011 |
| CAR* | Carsales.com | 1,113 | 1,192 | 21,877 |
| CBA* | Commonwealth Bank of Australia | 352 | 461 | 41,511 |
| COH* | Cochlear | 0 | 37 | 7,378 |
| COL* | Coles Group | 934 | 1,536 | 27,241 |
| CPU* | Computershare | 107 | 46 | 1,123 |
| CSL* | CSL | 184 | 188 | 50,422 |

| Code | Company Name | Number Held 2021 '000 | Number Held 2022 '000 | Market Value 2022 \$'000 |
|-------------|--|------------------------------|------------------------------|---------------------------------|
| DMP | Domino's Pizza Enterprises | 0 | 78 | 5,321 |
| EQT | EQT Holdings | 675 | 804 | 21,067 |
| FCL | FINEOS Corporation | 1,105 | 1,399 | 2,070 |
| FPH | Fisher & Paykel Healthcare Corporation | 344 | 396 | 7,056 |
| GMG* | Goodman Group | 1,068 | 677 | 12,070 |
| IAG* | Insurance Australia Group | 3,304 | 3,304 | 14,343 |
| IRE* | IRESS | 1,476 | 1,206 | 13,828 |
| IVC | InvoCare | 616 | 406 | 4,247 |
| JBH* | JB Hi-Fi | 0 | 480 | 18,443 |
| JHX | James Hardie Industries | 314 | 645 | 20,492 |
| MFT | Mainfreight (NZX listed) | 275 | 275 | 17,380 |
| MGR | Mirvac Group | 4,113 | 8,900 | 17,578 |
| MIR | Mirrabooka Investments | 4,215 | 4,215 | 12,349 |
| MQG* | Macquarie Group | 158 | 160 | 26,288 |
| NAB* | National Australia Bank | 1,024 | 629 | 17,173 |
| NWL | Netwealth Group | 384 | 384 | 4,669 |
| PNI | Pinnacle Investment Management Group | 433 | 1,144 | 8,039 |
| PXA | PEXA Group | 292 | 292 | 4,054 |
| REA | REA Group | 0 | 71 | 7,940 |
| REH | Reece | 323 | 410 | 5,649 |
| RHC* | Ramsay Health Care | 187 | 200 | 14,316 |
| RIO* | Rio Tinto | 79 | 59 | 6,052 |
| RMD | ResMed | 348 | 288 | 8,823 |
| SCP | SCA Property Group | 0 | 3,005 | 8,264 |
| SEK* | Seek | 227 | 195 | 4,094 |
| SHL | Sonic Healthcare | 124 | 57 | 1,870 |
| STO* | Santos | 0 | 1,373 | 10,149 |
| TCL* | Transurban Group | 3,136 | 3,484 | 49,717 |

Holdings of Securities

At 30 June 2022 continued

| Code | Company Name | Number | Number | Market |
|--------------|-----------------------------|----------------------|----------------------|-------------------------|
| | | Held 2021 '000 | Held 2022 '000 | Value 2022 \$'000 |
| TLS* | Telstra Corporation | 7,875 | 5,122 | 19,626 |
| TPW | Temple & Webster | 452 | 452 | 1,502 |
| WBC* | Westpac Banking Corporation | 1,917 | 2,146 | 41,832 |
| WDS* | Woodside Energy | 360 | 322 | 10,174 |
| WES* | Wesfarmers | 350 | 828 | 34,630 |
| WOW* | Woolworths | 1,108 | 1,051 | 37,322 |
| Total | | | | 781,510 |

* Indicates that options were outstanding against part the holding.

Major Transactions in the Investment Portfolio

| Acquisitions | Cost (\$'000) |
|---|--------------------------|
| Wesfarmers | 27,110 |
| JB Hi-Fi | 21,911 |
| James Hardie Industries | 20,160 |
| Commonwealth Bank | 19,037 |
| BHP | 18,066 |
| Macquarie Group (includes \$5 million from participation in placement at \$194 per share) | 15,977 |
| Coles | 13,969 |

| Disposals | Proceeds (\$'000) |
|---|------------------------------|
| Sydney Airport* | 22,916 |
| Macquarie Group (because of the exercise of call options) | 14,130 |
| Ancor (the majority of which was because of the exercise of call options) | 13,391 |
| National Australia Bank (because of the exercise of call options) | 12,912 |
| Woolworths (because of the exercise of call options) | 12,800 |
| Oil Search* (because of merger with Santos) | 12,355 |

* Complete disposal.

New Companies Added to the Portfolio

JB Hi-Fi
 Santos (because of merger with Oil Search)
 REA Group
 Domino's Pizza Enterprises
 SCA Property Group
 Cochlear

Company Particulars

Djerriwarrh Investments Limited

ABN 38 006 862 693

Directors

John Paterson, Chairman
Robert M Freeman, Managing Director
Bruce R Brook
Kathryn J Fagg AO
Graham B Goldsmith AO
Alice JM Williams
Karen J Wood

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@djjerri.com.au
Website djjerri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Line 1300 653 915
+61 3 9415 4190
(from overseas)
Facsimile (03) 9473 2500
Website investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the Share Registrar as above.

Securities Exchange Code

DJW Ordinary shares

Annual General Meeting

Time 10.00am
Date Thursday 13 October 2022
Venue Melbourne City
Conference Centre
Location 333 Swanston Street
Melbourne Victoria 3000

The AGM will be a hybrid meeting with a physical meeting and access via an online platform. Further details are provided in the Notice of Annual General Meeting.

Adelaide Shareholder Meeting

Time 12.00pm
Date Monday 17 October 2022
Venue Adelaide Convention Centre
North Terrace Adelaide
Location Hall E1 and E2

Perth Shareholder Meeting

Time 12.00pm
Date Tuesday 18 October 2022
Venue Perth Convention Centre
21 Mounts Bay Road Perth
Location Meeting Rooms 1 and 2

Canberra Shareholder Meeting

Time 12.00pm
Date Friday 21 October 2022
Venue Park Hyatt Hotel
120 Commonwealth
Avenue Canberra
Location Federation Ballroom

Brisbane Shareholder Meeting

Time 12.00pm
Date Monday 24 October 2022
Venue Brisbane Convention Centre
Cnr Merivale and Glenelg Streets
South Bank Brisbane
Location Sky Room

Sydney Shareholder Meeting

Time 12.00pm
Date Tuesday 25 October 2022
Venue Wesley Conference Centre
220 Pitt Street Sydney
Location Auditorium



25 August 2022



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SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

Djerriwarrh Investments Limited
ABN 39 006 862 693

Level 21, 101 Collins St
Melbourne VIC 3000

T 03 9650 9911

F 03 9650 9100

invest@djerrri.com.au
djerrri.com.au

Dear Shareholder,

I am pleased to invite you to the 35th Annual General Meeting (AGM) of Djerriwarrh Investments Limited (Djerriwarrh or the Company) which has been scheduled as follows:

Date: Thursday 13 October 2022

Time: 10.00am Australian Eastern Daylight Time (AEDT)

The AGM will be held as a hybrid meeting providing shareholders with an opportunity to either attend in person or to participate online.

To attend in person and engage with Directors, shareholders are invited to attend at the **Melbourne City Conference Centre, 333 Swanston St, Melbourne, Victoria, Australia.**

If shareholders are attending online they must use the Computershare Meeting Platform (AGM Platform) to participate in the meeting. To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/MYDF5FF> on your computer, tablet or smartphone.

Shareholders who participate in the AGM online using the online platform are able to ask questions via this platform and vote in real time.

Full details on how to lodge a proxy or direct vote, attend and participate in the AGM are set out in our Notice of Meeting.

Notice of Meeting

In accordance with the recent amendments to the Corporations Act 2001 (Cth), we will not be posting to you a hard copy of the Notice of Meeting ahead of our AGM unless you have specifically requested one. Please visit www.djerri.com.au to view and download our Notice of Meeting, our Annual Report and other meeting documents are also available on this webpage.

Voting Form

If you are unable to join us for the AGM, we encourage you to lodge a vote prior to the meeting or, alternatively, to appoint a proxy to attend either in person or virtually, and vote on your behalf. Enclosed with this letter is a hard copy of your Voting Form which is personalised to you. Please complete the Voting Form if you would like to appoint a proxy to attend the meeting and vote on your behalf. The Notice of Meeting sets out the various ways in which you can submit the Voting Form. Please note that for a proxy appointment to be effective, it must be received by 10.00am (AEDT) on Tuesday 11 October 2022.

Questions from shareholders

Shareholders will have a reasonable opportunity to ask questions at the AGM (including an opportunity to ask questions of the Auditor) verbally or via the meeting platform.

As was the case last year, we also welcome shareholder questions in advance of the meeting. These can be emailed to the Company at agm@djerri.com.au or enclosed with your returned Voting Form if you elect to return a hard copy.

Shareholders and guests who are unable to join us in person or virtually are able to listen to the AGM. Please dial 1800 809 971 and state that you would like to join the Djerriwarrah Investments call. Please allow 10 minutes to join the call.

If it becomes necessary to adjust the arrangements for holding Djerriwarrah's AGM, we will provide shareholders with as much notice as possible. We encourage shareholders to monitor the ASX website and the Djerriwarrah website at www.djerri.com.au for any updates. For the health and safety of all attendees, if you feel unwell or have any symptoms of COVID-19, we ask that you do not attend the AGM in person, and instead join the AGM online. By attending the AGM in person you are agreeing to abide by any health and safety rules issued by the venue or the Company.

On behalf of the Board, I thank you for your continuing support as a shareholder. We look forward to welcoming you to our hybrid AGM either virtually or in person on 13 October 2022.

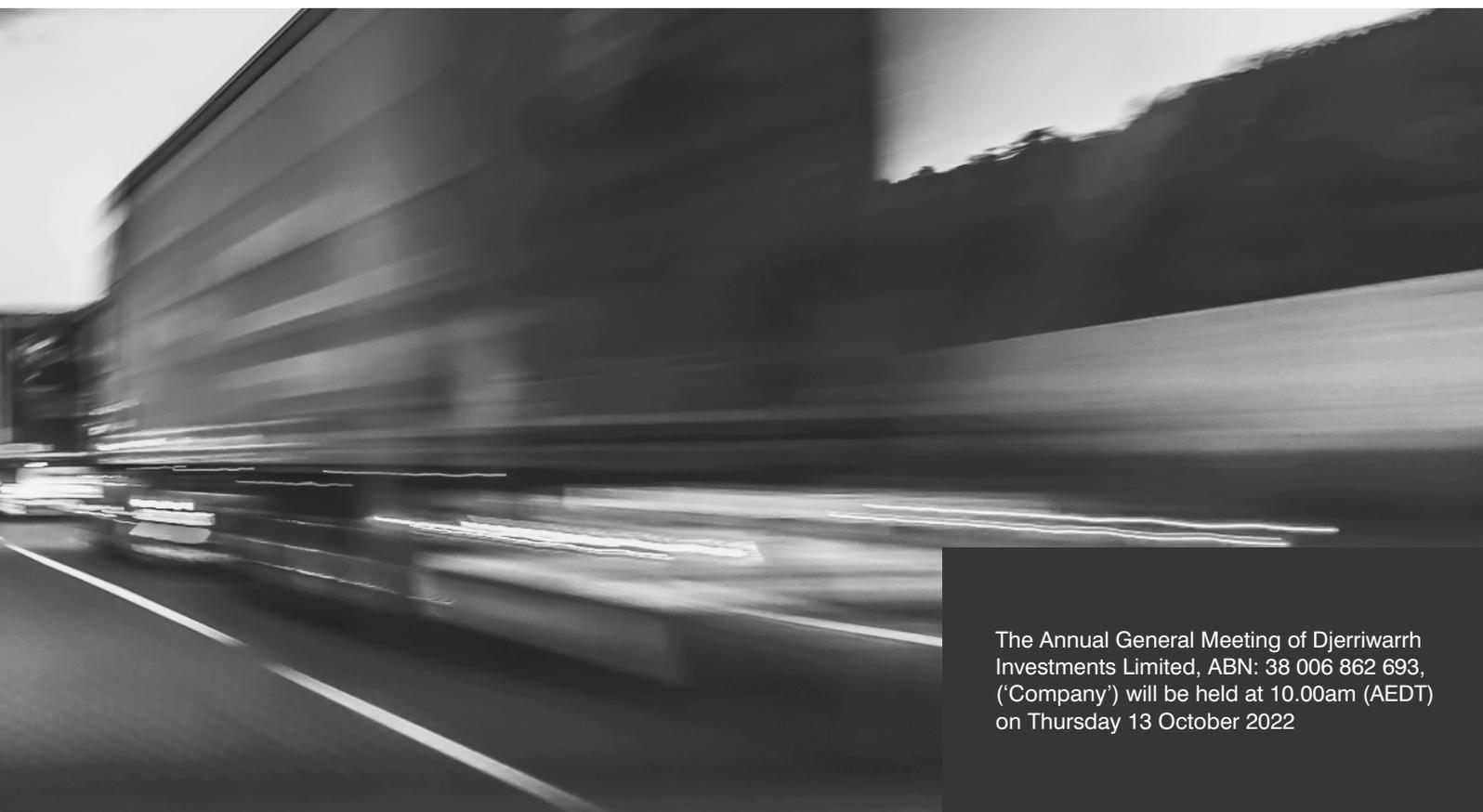
Yours sincerely

A handwritten signature in black ink, appearing to read 'John Paterson', written in a cursive style.

John Paterson
Chairman



Notice of Annual
General Meeting
2022



The Annual General Meeting of Djerriwarrh Investments Limited, ABN: 38 006 862 693, ('Company') will be held at 10.00am (AEDT) on Thursday 13 October 2022

BUSINESS OF THE MEETING

The Annual General Meeting of **Djerriwarrh Investments Limited** (ABN: 38 006 862 693, 'Company') will be held at **10.00am (AEDT)** on **Thursday 13 October 2022** at **Melbourne City Conference Centre, 333 Swanston Street, Melbourne, Victoria, Australia** and via an online AGM platform at **meetnow.global/MYDF5FF**.

Shareholders are requested to participate in the AGM in person, via our online AGM platform or via the appointment of a proxy. Further information on how to participate virtually is set out in this Notice and the Online Meeting Guide.

The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEDT)** on **Tuesday 11 October 2022**.

1. Financial Statements and Reports

To consider the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2022.

(Please note that no resolution will be required to be passed on this matter).

2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That the Remuneration Report for the financial year ended 30 June 2022 be adopted."

(Please note that the vote on this item is advisory only)

3. Re-election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Mr Graham Goldsmith, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

4. Re-election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Ms Karen Wood, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

5. Election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Mr Geoff Roberts, a Director, appointed since the last Annual General Meeting and retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."

6. Amendments to the Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

"That for the purposes of Section 136(2) of the *Corporations Act 2001* (Cth) and for all other purposes, the Constitution of the Company be amended as set out in the document made available at **djerri.com.au/shareholders** and signed by the Chair for the purposes of identification, with effect from the close of this meeting."

By Order of the Board



Matthew Rowe
Company Secretary

25 August 2022

EXPLANATORY NOTES

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

Please ensure that your properly completed proxy form reaches the share registry by the deadline of 10.00am (AEDT) on Tuesday 11 October 2022.

Where permitted, the Chairman of the meeting intends to vote undirected proxies in favour of all items of business.

1. Financial Statements and Reports

During this item there will be a reasonable opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2022. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2022 Annual Report can view or download it from the Company's website at:

djerri.com.au/our-company#CompanyReports

2. Adoption of Remuneration Report

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which is contained within the 2022 Annual Report.

The vote on the proposed resolution is an advisory one.

Voting Exclusions on Item 2

Pursuant to Sections 250BD and 250R of the *Corporations Act 2001* (Cth), votes may not be cast, and the Company will disregard any votes cast, on the resolution proposed in Item 2 ('Resolution 2'):

- by or on behalf of any member of the key management personnel of the Company (a 'KMP member') whose remuneration details are included in the Remuneration Report or any of their closely related parties; or
- as a proxy by a person who is a KMP member at the date of the meeting or any of their closely related parties,

unless the votes are cast:

- as a proxy for a person who is entitled to vote on Resolution 2 in accordance with a direction in the proxy appointment; or

- by the Chairman of the Annual General Meeting as a proxy for a person who is entitled to vote on Resolution 2 in accordance with an express authorisation in the proxy appointment to cast the votes even though Resolution 2 is connected directly or indirectly with the remuneration of a KMP member.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman to vote for or against, or to abstain from voting on, Resolution 2 by marking the appropriate box opposite Item 2 on the proxy form.

For the purposes of these voting exclusions, a 'closely related party' of a KMP member means (1) a spouse or child of the KMP member, (2) a child of the KMP member's spouse, (3) a dependant of the KMP member or of the KMP member's spouse, (4) anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealings with the Company, or (5) a company the KMP member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney, as if they were appointed as a proxy.

Pursuant to Sections 250BD(2) and 250R(5) of the *Corporations Act 2001*, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite Item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to Item 2.

Board recommendation: Noting that each director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote IN FAVOUR of this resolution.

3. Re-election of Director

Mr G Goldsmith was re-elected as a Director by shareholders at the 2019 AGM and as such is required to seek re-election by shareholders at this AGM. His biographical details are set out below:

Graham B Goldsmith AO

Deputy Chairman and Independent Non-Executive Director

Member of the Investment and Nomination Committees. Non-Executive Director of the Company's associated entity, Australian Investment Company Services Limited (AICS).

B Bus (Acctg), FCPA, FAICD

Mr Goldsmith was appointed to the Board in April 2013 and Deputy Chairman in May 2020. He is Chairman of SEEK Limited, Deputy Chairman of Gandel Foundation and a Panel Member of Adara Partners. Mr Goldsmith is a former Vice Chairman and a former Managing Director of Goldman Sachs Australia, and its predecessor firm Goldman Sachs JBWere. He was also previously the Chancellor of Swinburne University of Technology.

Board recommendation and undirected proxies: The Board (with the exception of Mr Goldsmith in relation to his own re-election) recommends that shareholders vote IN FAVOUR of this resolution, and the Chairman of the meeting intends to vote any undirected proxies IN FAVOUR of this resolution.

4. Re-election of Director

Ms K Wood was re-elected as a Director by shareholders at the 2019 AGM and as such is required to seek re-election by shareholders at this AGM. Her biographical details are set out below:

Karen J Wood

Independent Non-Executive Director Member of the Audit and Investment Committees.

B ED, LLB (Hons)

Ms Wood was appointed to the Board in July 2016. Ms Wood is the Chair of South 32 Limited and a Director of the Library Board of Victoria. She is a former senior executive of BHP. During her executive career with that company she served in a number of global roles including as Group Company Secretary, Chief People Officer and President, Corporate Affairs. She retired from BHP in 2014. Following her retirement she chaired the BHP Foundation until 2019. She served on the Takeovers Panel from 2000 to 2012.

Board recommendation and undirected proxies: The Board (with the exception of Ms Wood in relation to her own re-election) recommends that shareholders vote in FAVOUR of this resolution, and the Chairman of the meeting intends to vote any undirected proxies IN FAVOUR of this resolution.

5. Election of Director

Mr G Roberts was appointed to the Board in July 2022 and so is seeking election by shareholders for the first time.

Geoffrey I Roberts

Independent Non-Executive Director FCA, FAICD

Mr Roberts has over 35 years finance experience, including as Group Chief Financial Officer of Seek Limited, Managing Partner of Deloitte Victoria, and as Group Chief Financial Officer of AXA Asia Pacific for seven years. Geoff was appointed to the Board of JB Hi Fi Limited in January 2021 and the Melbourne Cricket Club Committee in March 2019 and was formerly a Director of AMP Limited.

He holds an Executive MBA from the Australian Graduate School of Management.

Board recommendation and undirected proxies: The Board (with the exception of Mr Roberts in relation to his own re-election) recommends that shareholders vote in FAVOUR of this resolution, and the Chairman of the meeting intends to vote any undirected proxies IN FAVOUR of this resolution.

Further information regarding the Company's corporate governance arrangements and the Board's role can be found on the Company's website at:

djerri.com.au/Corporate-Governance.aspx

EXPLANATORY NOTES

continued

6. Amendments to the Constitution

Overview

It is proposed that the Company's Constitution be amended to reflect changes in law, regulation and market practice since the Constitution was last updated in 2012.

A marked up copy of the Company's Constitution showing the proposed changes is available at djerri.com.au/shareholders and copies are also available for inspection until the close of the AGM at the Company's registered office at Level 21, 101 Collins Street, Melbourne VIC 3000.

A summary of the proposed changes is set out below.

New Rule 2(f) – giving the ASX Listing Rules Priority in the event of any conflict with the provisions of the Company's Constitution

Listed entities have the option of including certain pro forma provisions (in the form of the provisions set out in ASX Appendix 15B) in their constitution which are intended to ensure that in the event of any inconsistency between the entity's constitution and the ASX Listing Rules, the ASX Listing Rules will prevail. A key benefit of including these provisions in the new Rule 2(f) is that the Company's Constitution will not require modification to the extent a change to the ASX Listing Rules in the future requires the Constitution to contain or omit certain provisions.

Rule 9 – updating the number of joint holders that may be registered from three to four

Currently, Rule 9(a) states that the Company is not bound to register more than three persons as the holders of shares. In April 2021, ASX announced the replacement of the existing CHESSE clearing system with CHESSE Replacement which, broadly speaking, seeks to provide issuers and investors with greater control over, and enhanced confidence in, market activities through timely, secure and simplified access to the register of holders (for issuers), financial assets (for investors) and associated information. The change to Rule 9(a) from three to four joint holders has been proposed to address that CHESSE Replacement will allow up to four joint holders of a security.

CHESSE Replacement was scheduled for implementation in April 2023 but the ASX has announced that this date is no longer feasible. The revised implementation is expected to be determined by ASX after further consultation with relevant stakeholders.

New Rule 20A – payments that are required by the Company

The proposed new Rule 20A seeks to clarify that where a taxation authority or government requires the Company to make a payment on behalf of any holder of the Company's shares (for example, this would cover payments such as withholding taxes) this money is recoverable by the Company from the particular shareholder (or their legal representatives). The Company is also, at its discretion, able to charge interest on these amounts in order to ensure that the shareholders as a whole are not left worse off as a result of these payments.

Provisions such as Rule 20A are commonly included in modern constitutions and bolster any statutory or other legal rights that the Company has to recover such monies in these circumstances.

Rule 37 – updating the provisions relating to voting at General Meetings

Following amendments to the Corporations Act made by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), resolutions in the notice of meeting of listed entities must be considered by a poll rather than a show of hands. The ASX also requires that all Listing Rule resolutions be conducted by way of poll rather than by a show of hands. The amendments to Rule 37 reflect these changes.

Rule 37(b) has been retained because despite the default position being that every substantive resolution will need to be put to a poll there may be situations where calling a poll will involve unnecessary additional administration and a show of hands should be used if a poll is not required.

Rules 45 and 48 – Director eligibility requirements

The Company is required to comply with various laws, regulations and standards. Some of these laws can require the Company's directors to satisfy certain requirements (for example, Australia's financial services licensing laws require a financial services licensee's responsible officers to satisfy a good fame and character requirement).

The proposed amendments to Rule 45 and Rule 48 (and in the inclusion of the definition of 'relevant Director Requirements' in Rule 1) will:

- require any nominated director to satisfy, and the existing directors to continue to satisfy, any eligibility requirements prescribed by law, regulations or standards; and
- require any nominated director or existing director to provide all information and consents that the Board reasonably requests to enable the Board to determine if the person is eligible to become or remain a director under the requirements prescribed by Australian law, regulations or standards.

The effect of these proposed changes is that a person will not be able to be nominated for consideration as a Director if they are not eligible under the relevant regulatory requirements or the person does not provide the necessary information to the Company to enable the Board to determine if the person is eligible under the relevant regulatory requirements.

The Board consider that these proposed amendments are necessary to strengthen the process for ensuring that any proposed or existing directors of the Company are eligible to hold office under the relevant laws, regulations and standards at any point in time. Importantly, the proposed amendments would only impose eligibility requirements on directors if the relevant laws, regulations and standards required them.

Rule 72 – updating the notice provisions, including the use of electronic notices

The suggested changes to Rule 72 facilitate the use of electronic notices and offers to shareholders. They enable:

- notices and offers of securities to be sent via electronic means;
- notices and offers of securities to refer to an electronic address that contains the primary notice, documents or attachments;
- notices and offers of securities to shareholders outside of Australia to be sent or made available electronically; and
- notices and offers to be deemed to be delivered in the event that the shareholder does not have a registered address.

These suggested changes are facilitative and will provide the Company with greater flexibility in communicating with shareholders. Importantly, they do not mandate electronic communication with shareholders – but, rather, allow for greater flexibility in the manner in which notices and documents may be provided electronically where a shareholder agrees to the use of electronic communications.

Miscellaneous changes

In the course of undertaking its review of the Constitution, the Board has also identified a number of minor and technical matters that would benefit from amendment. These proposed amendments are summarised below.

- **Rule 1 (Definitions)** – a number of amendments to definitions in Rule 1 have been proposed as follows:
 - The definition of ‘Shareholder Present’ to clarify that shareholders attending a meeting via virtual meeting technology are considered to be present at the meeting.
 - Updating the definitions of ‘ASTC’ and ‘ASTC Settlement Rules’ to reflect their current names.
 - Including a definition for ‘Direct Vote’.
- **Rule 9(f) (Direct Votes)** – amendments to clarify the administration of Direct Votes in the context of joint holders in a manner consistent with voting in person or by proxy, authorised representative or attorney.
- **Rules 33, 34, 35, 36, 37, 39, 40, 57 and 58 (references to chair of the meeting)** – a number of technical drafting edits to these Rules to correct references from the ‘Chair’ to the ‘chair of the meeting’.
- **Rule 43 (Proxies)** – amendments to provide greater flexibility for the Company to deal with incomplete proxy forms, and to deal with the electronic lodgement of proxy appointments.
- **Rule 55 (Convening Board meetings)** – amendments to clarify that any director may convene a meeting of the Board (and that the Secretary must convene a meeting of the Board when requested to do so by any Director).

- **Rule 69 (Distributions in kind)** – amendments to clarify the types of distributions that can be made in order to allow greater flexibility in the event that particular assets need to be sold or securities in another corporation need to be transferred to the Company’s shareholders as part of any dividend or other distribution.
- **Rule 78 (Restricted Securities)** – amendments to Rule 78 reflect the provisions required to be included in an entity’s constitution by amendments to ASX Listing Rule 15.12 that came into effect on 1 December 2019. Restricted securities include categories of securities that ordinarily are subject to ASX’s mandatory escrow requirements by reference to the circumstances in which they were issued (eg, securities may be restricted securities if they were issued to a related party, promoter, seed capitalist, vendor or professional adviser or consultant for cash, or as consideration for the sale of classified assets or for services rendered). ASX also has discretion to designate other securities as restricted securities.
- **Other** – a number of consequential drafting amendments flowing from the above changes and other minor clarifications and corrections.

Board recommendation and undirected proxies: The Board recommends that shareholders vote IN FAVOUR of this resolution, and the Chairman of the meeting intends to vote any undirected proxies IN FAVOUR of this resolution.

SHAREHOLDER INFORMATION

Shareholders and Proxyholders have two options for participating at the AGM:

In person

Online via the Computershare Meeting Platform (access via meetnow.global/MYDF5FF)

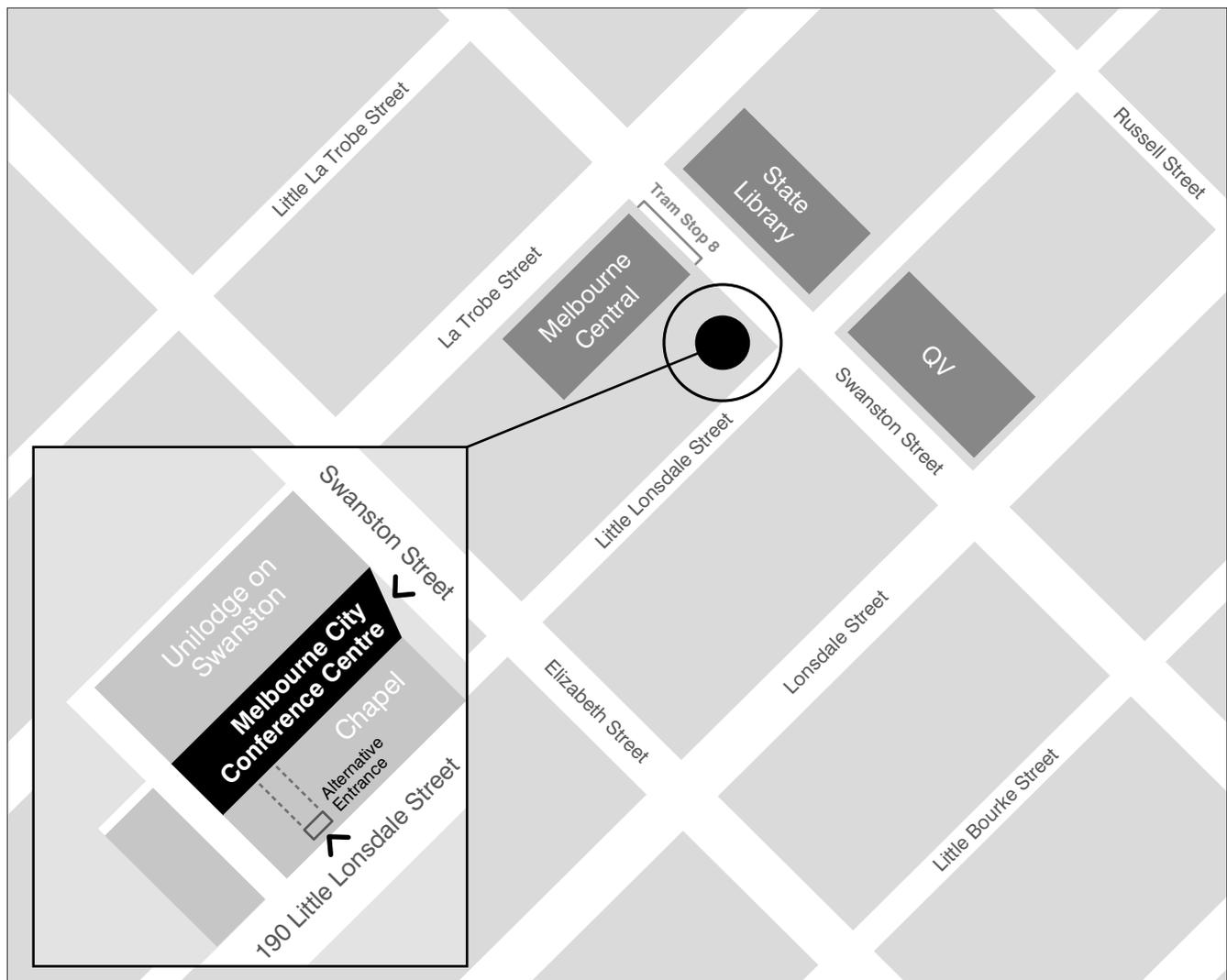
In Person

The AGM will be held at the Melbourne City Conference Centre, 333 Swanston Street, Melbourne, Victoria, Australia.

If it becomes necessary to make further arrangements for holding DJW's AGM, we will provide shareholders with as much notice as possible in the circumstances. However, we encourage shareholders to monitor the ASX website and the DJW website at djerri.com.au for any updates. For the health and safety of all attendees, if you feel unwell or have any symptoms of COVID-19, we ask that you do not attend the AGM in person, and instead join the AGM online. By attending the AGM in person you are agreeing to abide by any health and safety rules issued by the venue or the Company.

Melbourne City Conference Centre

Directional Map



Via the Online Platform

If shareholders are attending on line they must use the Computershare Meeting Platform to participate in the meeting.

To participate in the meeting, you can log in by entering the following URL **meetnow.global/MYDF5FF** on your computer, tablet or smartphone.

Online registration will open 1 hour before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. **Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.**

To participate in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meeting to obtain their login details.
3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop-down list.
4. Accept the Terms and Conditions and 'Click Continue'.

Online Meeting Guide:

www.computershare.com.au/virtualmeetingguide

A detailed guide on how to participate virtually is set out in the Online Meeting Guide (**computershare.com.au/virtualmeetingguide**) or on our website at **djerri.com.au**. This Guide explains how you can ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site.

Voting Options for the AGM

- Voting in person at the meeting
- Direct voting via the online AGM platform during the AGM
- Appointing a proxy

All Resolutions Will be Conducted by Poll

As some shareholders may participate virtually in the Meeting each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the Meeting.

Direct Voting Via Online AGM Platform – During the AGM

In accordance the Company's Constitution ('Constitution'), the Directors have determined that at the AGM, a shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution and have approved the use the online AGM platform as the means by which shareholders can deliver their direct vote in real time during the AGM.

Shareholders can participate in the AGM via the online AGM platform and will be able to vote directly through the online platform in real time. Shareholders and proxyholders can vote directly online at any time between the start of the AGM at 10.00am (AEDT) and the closure of voting as announced by the Chairman during the Meeting.

More information regarding direct voting during the AGM is detailed in the Online Meeting Guide available on our website **djerri.com.au**.

Listening to the AGM Via Telephone

Shareholders and guests who are unable to join us in person or virtually are able to listen to the AGM. Please dial 1800 809 971 and state that you would like to join the Djerriwarrh Investments call. Please allow 10 minutes to join the call.

SHAREHOLDER INFORMATION

continued

Proxies

If you cannot attend the meeting online at the scheduled time, you can participate in the AGM by appointing a proxy to attend and vote at the AGM. Shareholders can appoint a proxy on the enclosed Proxy Form, instructions on how to lodge the Proxy Form are contained in the attached Notice of Meeting.

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
3. **Proxy forms may be lodged online by visiting investorvote.com.au or by scanning the QR Code on the proxy form with a mobile device.**
4. **Relevant custodians may lodge their proxy forms online by visiting intermediaryonline.com**
5. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be also delivered, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **10.00am (AEDT) on Tuesday 11 October 2022**. Further details are on the proxy form.

6. A proxy need not vote in that capacity on a poll (unless the proxy is the Chairman of the meeting). However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
7. In certain circumstances the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:
 - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
 - the appointed proxy is not the Chairman of the meeting; and
 - at the meeting, a poll is called on the resolution; and
 - either of the following apply:
 - if a record of attendance is made for the AGM and the proxy is not recorded as attending
 - the proxy does not vote on the resolution.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Evidence of the appointment of a corporate representative must comply with Section 250D of the *Corporations Act 2001* and be lodged with the Company before the AGM.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

Questions from Shareholders

Shareholders who are unable to attend the meeting or who prefer to register questions in advance are invited to use the question form included with their proxy form or via email agm@djerri.com.au. The deadline for receipt of questions by email to be considered at the AGM is **29 September 2022**. During the course of the meeting, the Chairman will endeavour to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

You may also submit questions and comments during the AGM in real time via the online platform. Please note, only shareholders may ask questions online. More information regarding asking questions during the AGM is detailed in the Online Meeting Guide available on our website djerri.com.au.

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street Address

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Postal Address

GPO Box 242
Melbourne VIC 3001

Telephone

1300 653 915 (within Australia)
+61 3 9415 4190 (outside Australia)

Facsimile

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Internet

investorcentre.com/contact



Djerriwarrh

AUSTRALIAN EQUITIES, ENHANCED YIELD



000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone**
1300 653 915 (within Australia)
+61 3 9415 4190 (outside Australia)

 **Online**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00am (AEDT) Tuesday 11 October 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions. Each resolution considered at the meeting will be conducted by a poll.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form: **XX**

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is:



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR JOHN SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 1234567890 I N D

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

XX

I/We being a shareholder/s of DJERRIWARRH INVESTMENTS LIMITED hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **Djerriwarrh Investments Limited** held at the **Melbourne City Conference Centre, 333 Swanston St, Melbourne, Victoria, Australia** and via an online platform at **10.00am (AEDT) on Thursday 13 October 2022** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of item 2 even though item 2 is connected directly or indirectly with the remuneration of a member of key management personnel of Djerriwarrh Investments Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|--------|---|--------------------------|--------------------------|--------------------------|
| Item 2 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 | Re-election of Director - Mr Graham Goldsmith | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 | Re-election of Director - Ms Karen Wood | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 | Election of Director - Mr Geoff Roberts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 6 | Amendments to Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

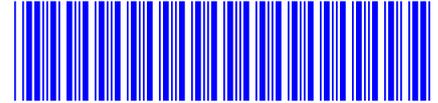
Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date ____/____/____



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030



Questions from Shareholders

The Annual General Meeting (AGM) of Djerriwarrh Investments Limited will be held at Melbourne City Conference Centre, 333 Swanston St, Melbourne, Victoria, Australia and via an online platform at 10.00am (AEDT) on Thursday 13 October 2022. Shareholders who are unable to attend the meeting, or who prefer to register questions in advance, are invited to submit any questions they have by completing and returning this form.

Please return your completed question form to our Share Registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, or by facsimile to 1800 783 447 (outside Australia +61 3 9473 2555) by Thursday 29 September 2022. The envelope provided for the return of your proxy form may also be used for this purpose.

You may also submit written questions to the auditor if the questions are relevant to the content of the auditor's report or the conduct of the audit of the financial statements to be considered at the AGM.

We will endeavour, during the course of the AGM, to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

Question(s):

Please mark if it is a question directed to the auditor

| | | |
|---|----------------------------------|--------------------------|
| 1 | _____ _____ _____ _____ | <input type="checkbox"/> |
| 2 | _____ _____ _____ _____ | <input type="checkbox"/> |
| 3 | _____ _____ _____ _____ | <input type="checkbox"/> |
| 4 | _____ _____ _____ _____ | <input type="checkbox"/> |