

Flagship Investments Limited

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20 April 2015


The Manager
Company Announcements Office
ASX Ltd
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Retail Presentation – FSI as at 31 March 2015

Attached is a retail presentation to be presented on Tuesday 21 April 2015, by the Investment Manager of Flagship Investments Limited.

Yours sincerely



I W Harrison
Company Secretary



ECP Asset Management

ECPAM Overview

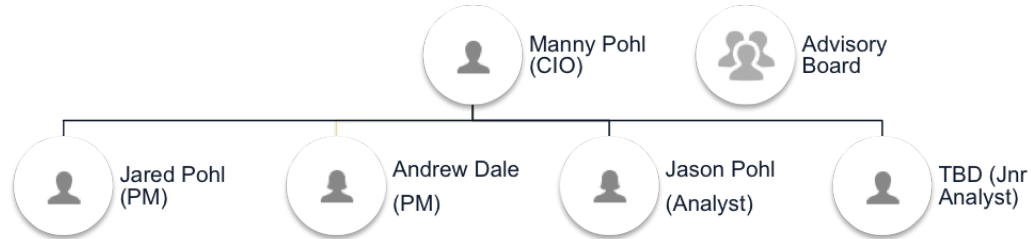
ECP Asset Management (ECPAM) manages two listed investment companies, Barrack St Investments (BST) and Flagship Investments (FSI). Both provide investors an opportunity to invest with a disciplined and experienced investment manager whose objectives are to:

- achieve medium to long-term capital growth and income;
- preserve and grow the NAV per share; and
- provide shareholders with a fully franked dividend, which, over time will grow at a rate in excess of the rate of inflation.

They differ as follows:

- FSI invests primarily in a portfolio of quality ASX listed companies;
- BST only invests in a portfolio of quality small and mid-cap ASX listed companies.

Investment Team



Why Our Team Produces Outperformance

Common Beliefs

Our team members all fundamentally believe in our investment philosophy; the economics of a business drives price performance over the long term.

Information Advantage

The investment team spend 95% of their time on fundamental analysis of a focussed universe. A deep understanding of each company ensures we place more weight on our research than management or the markets point of view.

Continually Challenge Our Assumptions

We're always looking to see where we can improve. It is our view that you need to constantly challenge your beliefs and continually question your assumptions. By doing so we look to capture additional insights and information we may have missed initially.

Mindfulness

Our process, while systemised, is not about box ticking. Moving through a process without giving it all of your attention leads to a lack of understanding, and therefore average results. By being passionate about what we do and taking the time to do it right, we're comfortable we're making the right decisions.

Investment Philosophy

The economics of a business drives long-term investment returns. Investing in high quality, growth businesses, that have the ability to generate predictable, above average economic returns will produce superior investment performance over the long-term.

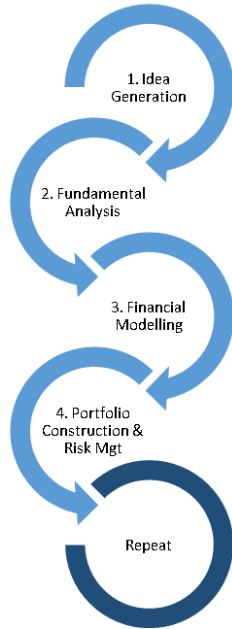
A disconnect exists between price and value, which requires discipline in the price paid for earnings. The combination of purchase discipline, and the appropriate investment due diligence, is crucial to ensuring long-term investment success for our clients.

Market Inefficiencies We Exploit

On average the market undervalues extremely high quality, capital efficient, organic growth businesses; and

The market tends to over-emphasize temporary themes and short-term factors.

Investment Process Summary



An focus on quality produces alpha

Our investment process is broken up into 4 main stages.

Stages 1 → 3 are designed to remove those companies that do not meet our definition of quality, and focus our attention on a smaller opportunity set.

Stage 4 is designed to manage the uncertainties that exist within the businesses that remain, and construct a portfolio which generates the best risk adjusted returns for our clients.

The process is continuously repeated to look for new opportunities and revisit old ones in order to ensure that the best possible opportunities are in the portfolio at any one time.

Representative Companies



Resulting Portfolio Composition

Included

High exposure to growth markets, strong competitive advantages, low capital intensity, organic growth and simple businesses.

Avoided

Low ROE, Low Interest Cover, Low Growth, Lack of Competitive advantage, complex businesses.

Process Benefits

Proven manager

- Long term out performance is reliable and fundamentally driven.
- Performance is strong in both an absolute and relative sense.

Consistent framework and investment process

- Portfolio consists of only the highest quality investments.
- We do not over pay for growth.
- The GFC stress tested the process, which produced excellent results.
- Traditionally there has been a high correlation between IRR and portfolio returns.

Process Key Features

1. The investment process is one of elimination of businesses that fail to meet quality standards;
2. Companies that fail process are not held at all rather than underweighted
→ Sell Discipline;
3. Companies are weighted according to their 5 year prospects (risk adjusted IRR); and
4. Risk is where a business does not meet IRR and earnings estimates, not a deviation from an index.



Barrack St Investments Limited

Why BST?

Most Investors have an exposure to ASX 50 companies. BST only invests in companies outside of this index, so provides investors an opportunity to share in the wealth creation of highly successful small companies:

- QGC : EV AUD 20m Aug 2000 → EV AUD 5bn Oct 2008
- SEK : EV AUD 500m Mar 2005 → EV > AUD 5bn current.

Analysis shows the majority of outperformance achieved by ECPAM historically has been in mid and small cap companies.

Limited research coverage by brokers creates valuation opportunities.

Product Details

Name	Barrack Street Investments Limited
Ticker	BST
NAV (31 March 2015)	103.7c
Benchmark	8% Absolute Return
Management Fee	1%
Performance Fee	20% over hurdle, high watermark.

Portfolio Performance

Historical Portfolio Performance to 31 Mar 2015*

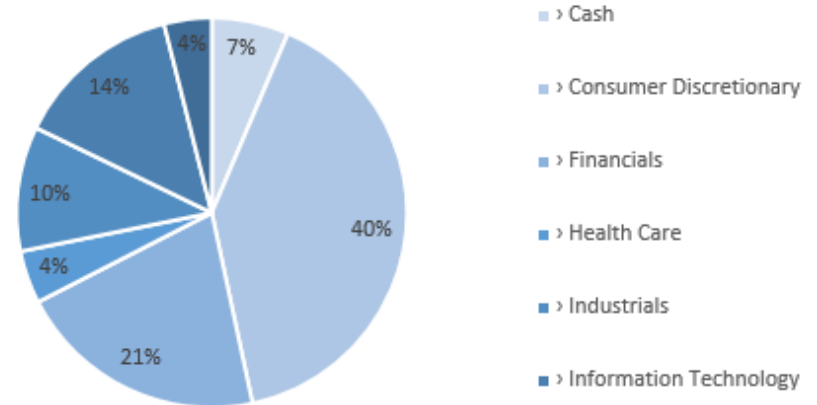
Product	3m	6m	1 year	YTD	Inception
BST	6.42	14.50	-	6.67	8.15
S&P ASX Small Ords Acc	7.30	3.40	-	9.30	-0.14
Alpha	-0.88	11.1	-	-2.63	8.29

*All returns are gross of fees and charges. Excess returns are calculated against the S&P ASX Small Cap Index. Returns greater than one year are expressed as per annum.

Portfolio Holdings

Company	Weight
REA Group	12.4
Carsales.com	10.9
Platinum Asset Management	9.76
Seek Limited	9.48
Domino's Pizza	9.06
Trade Me Group	7.00
Bendigo Bank	6.47
Navitas	4.72
Sky Network Television	4.48
Sirtex Medical	4.38

GICS Sectors



Recent Portfolio Additions



Portfolio Return Outlook

Dividend Growth	PE Contraction	Dividend Return	IRR (pre-franking)
19.6%	-1.8%	2.6%	20.4%



Product Details

Name	Flagship Investments Limited
Ticker	FSI
NAV (31 March 2015)	181.6c
Benchmark	Cash
Management Fee	0%
Performance Fee	15% over benchmark, no high watermark.

Portfolio Performance

Historical Performance to 31 Mar 2015*

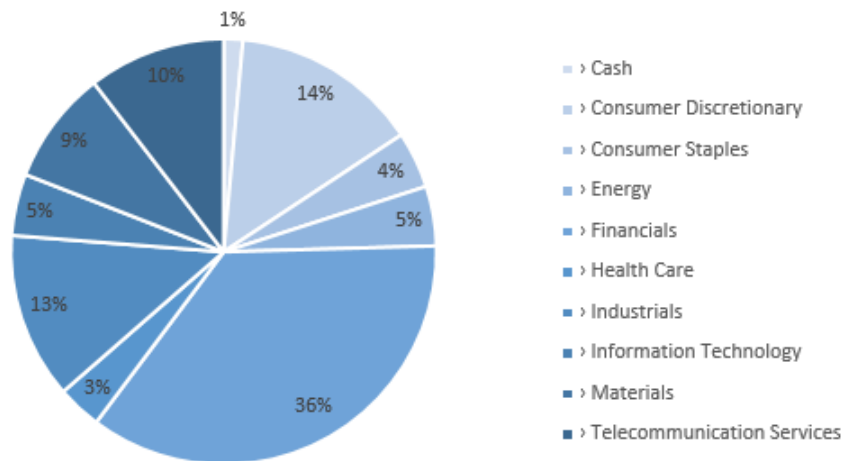
Product	3m	1 year	3 Years	5 Years	10 Years
FSI	8.8	12.2	22.1	10.6	12.3
S&P ASX All Ords	8.8	10.0	9.9	3.7	3.6
Alpha	0.0	2.2	12.3	6.9	19.7

*All returns are gross of fees and charges. Excess returns are calculated against the S&P ASX All Ordinaries Index. Returns greater than one year are expressed as per annum.

Portfolio Holdings

Company	Weight
Telstra	9.19
Macquarie Group	8.36
Commonwealth Bank of Australia	8.25
Westpac Banking Corp	6.62
Rio Tinto Limited	5.44
Seek Limited	5.18
REA Group	5.14
AMP Limited	4.62
Brambles Limited	4.60
Woolworths Limited	4.44

GICS Sectors



Recent Portfolio Additions

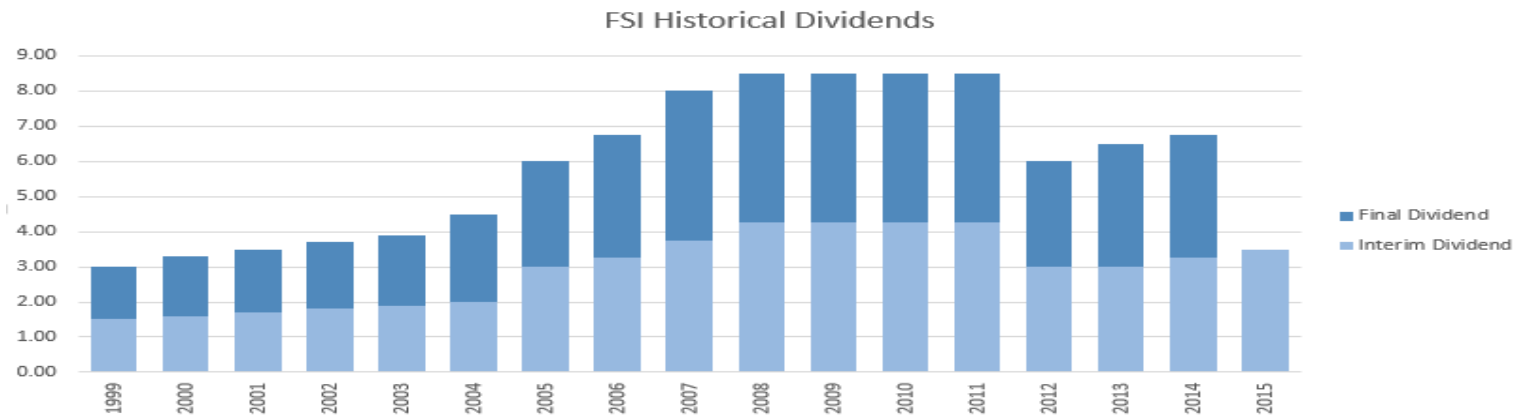


Portfolio Return Outlook

Dividend Growth	PE Contraction	Dividend Return	IRR (pre-franking)
14.5%	-2.0%	3.3%	15.8%

FSI Historical Dividends

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Dividend	4.5	6.0	6.75	8.00	8.50	8.50	8.50	8.50	6.0	6.5	6.75
Chg %	15.4	33.3	12.5	18.5	6.25	0.0	0.0	0.0	-30.0	8.3	3.8
CPI	2.50	2.50	4.00	2.10	4.50	1.50	3.10	3.60	1.20	2.20	2.90



Disclaimer

This communication is not a securities recommendation.

Any person considering action on the basis of this communication must seek out individual advice relevant to their particular circumstances and investment objectives.

Past performance is no guide for future performance.