



FLAGSHIP INVESTMENTS LIMITED

ABN 99 080 135 913

APPENDIX 4D STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

CONTENTS

- ◆ **Results for announcement to the market**
- ◆ **Appendix 4D Accounts**



APPENDIX 4D STATEMENT

Results for Announcement to the Market

The reporting period is the Half-year ended 31 December 2019, with the corresponding period being 1 July 2018 to 31 December 2018.

SUMMARY OF RESULTS

Investment Portfolio increased by 9.5% in the six months ended 31 December 2019. Over the same period, Net assets increased \$2,223,061 after paying the 2019 final dividend of \$1,083,866.

	2019	2018	Movement
	\$	\$	%
Revenue from ordinary activities	597,274	1,850,373	-67.7%
Comprehensive Income/(loss) (after tax) attributable to members	3,306,928	(1,915,456)	272.6%
Comprehensive Income/(loss) per share (Cents)	12.97	(7.51)	272.7%
Net Tangible Asset backing per share (before tax on unrealised gains) (Cents)	223.4	178.6	25.1%

DIVIDEND

Interim Dividend per share

Fully Franked Interim Dividend - payable on 6 March 2020:	4.25 cents
The record date to determine entitlements to the interim dividend	21 February 2020

Dividend Reinvestment Plan

The Dividend Reinvestment Plan will apply to this interim dividend with the price determined by the Directors. The last date for the receipt of an election notice for participation in the dividend reinvestment plan will be at close of business on 24 February 2020. There is no foreign conduit income attributable to the dividend.

Previous corresponding period

Fully Franked Interim Dividend paid on 1 March 2019:	4.0 cents
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LIC Capital Gains Components

The capacity of the Company to facilitate access to the capital gain benefit of the dividend will depend on the Company's capacity to generate capital profits. The interim dividend will include a capital gain component.

FLAGSHIP INVESTMENTS LIMITED

REVIEW OF OPERATIONS

In the first six months of the financial year, dividends in the amount of \$586,421 were received compared to \$1,833,967 last year. As noted last year, in November 2018 Rio Tinto closed a share buy-back offer which had a deemed dividend component of \$1,051,001 this was a major contribution to the prior year earnings and cashflow. Excluding the impact of the Rio dividend, year on year dividends fell by 25%, this is reflective of a change in composition of the portfolio with notable exclusions being Westpac and Pental Group.

Total Comprehensive Income for the half-year was \$3,306,928 compared to a loss of \$1,915,456 last year. This dramatic shift is due to the portfolio performance of the current period exceeding the decline that occurred between October 2018 and December 2018 and reflects 'business-as-usual' conditions such as experienced in July to December 2017 when total comprehensive income was \$3,477,492. The strategic management of the portfolio has seen Total Assets grow to \$58,503,973 in December 2019 from \$50,920,813 in December 2017 (after declining to \$47,297,067 in December 2018).

Portfolio Performance:

	6 mths to Dec 2019	12 mths to Dec 2019	Since Inception (1 May 1998) p.a.
Portfolio	9.5%	36.4%	12.7%
ASX All Ordinaries	1.5%	19.1%	4.3%
ASX Accumulation Index	3.6%	24.1%	8.6%

As mentioned above, the turmoil that existed at the end of 2018 was pacified through the course of 2019 leading to a record making gain in the ASX All Ordinaries Index. Over the first six months of the 2020 financial year the ASX All Ordinaries Index increased 1.5% while our portfolio grew 9.5% an outperformance of 8.0 percentage points.

MARKET COMMENT

Australia has continued its world-beating 28 year run of economic growth; however, strains are beginning to appear with our economy currently growing at an annual rate of 1.7%. GDP growth has been stimulated primarily by population growth while productivity growth has languished. Government spending has provided a base during 2019 and will continue to do so, while growth in Sydney and Melbourne house prices have provided stability in this sector which will hopefully translate into additional home building in the future.

The new year started on a positive note as central banks are predicted to maintain easy monetary conditions favourable to the equities market, which should remain relatively buoyant with minimal 'noise' emanating from the local political climate. Uncertainty lies in consumption expenditure and how the interplay between unemployment and wage growth will evolve, while the full impact of the Australian bushfires and Chinese Coronavirus outbreak is yet to be understood.

OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, WPIAS Pty Ltd.

All the documents comprise the information required by ASX listing Rule 4.2A.3.

This information should be read in conjunction with the Company's most recent Annual Financial Report.

For any queries, please contact:

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